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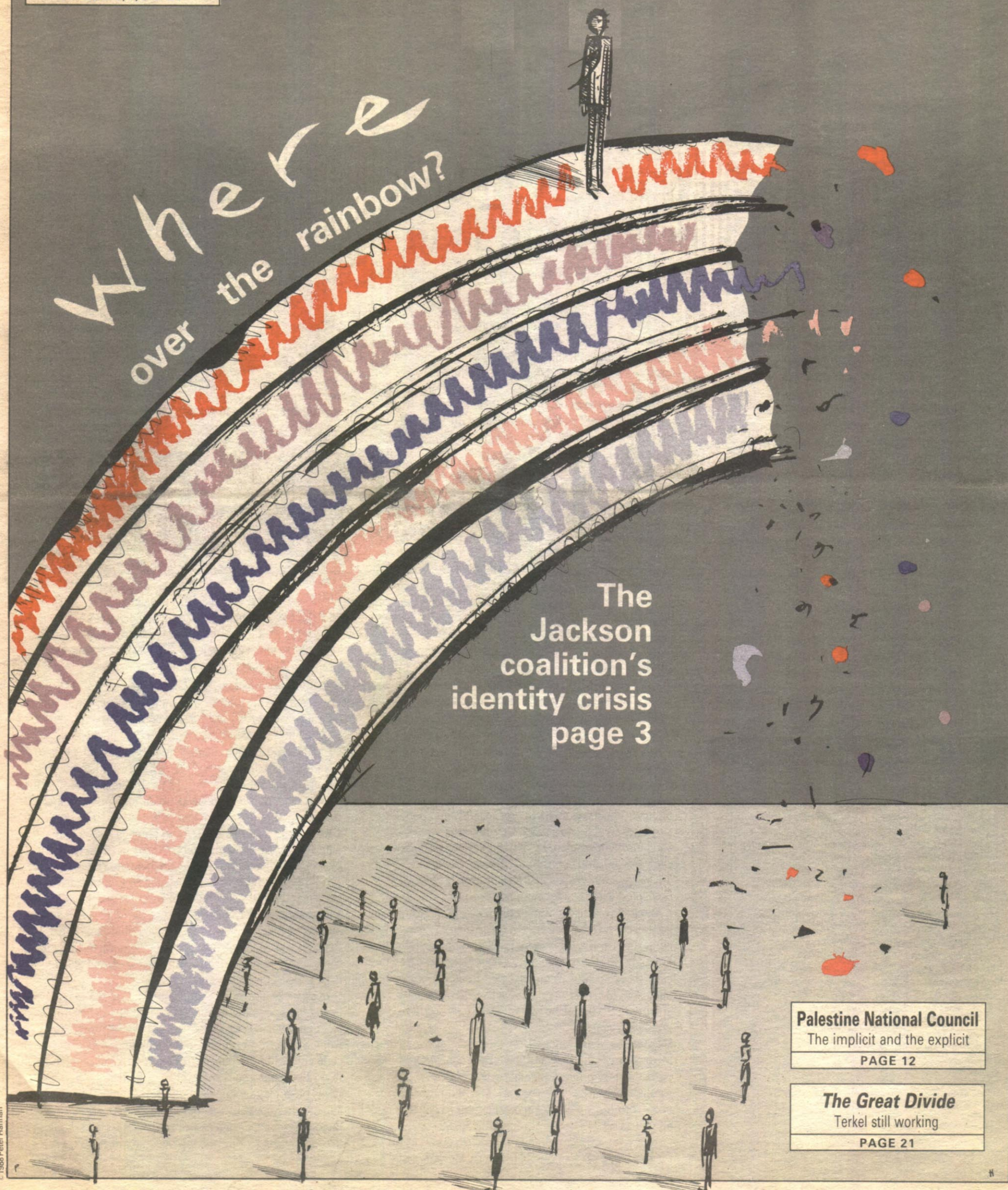
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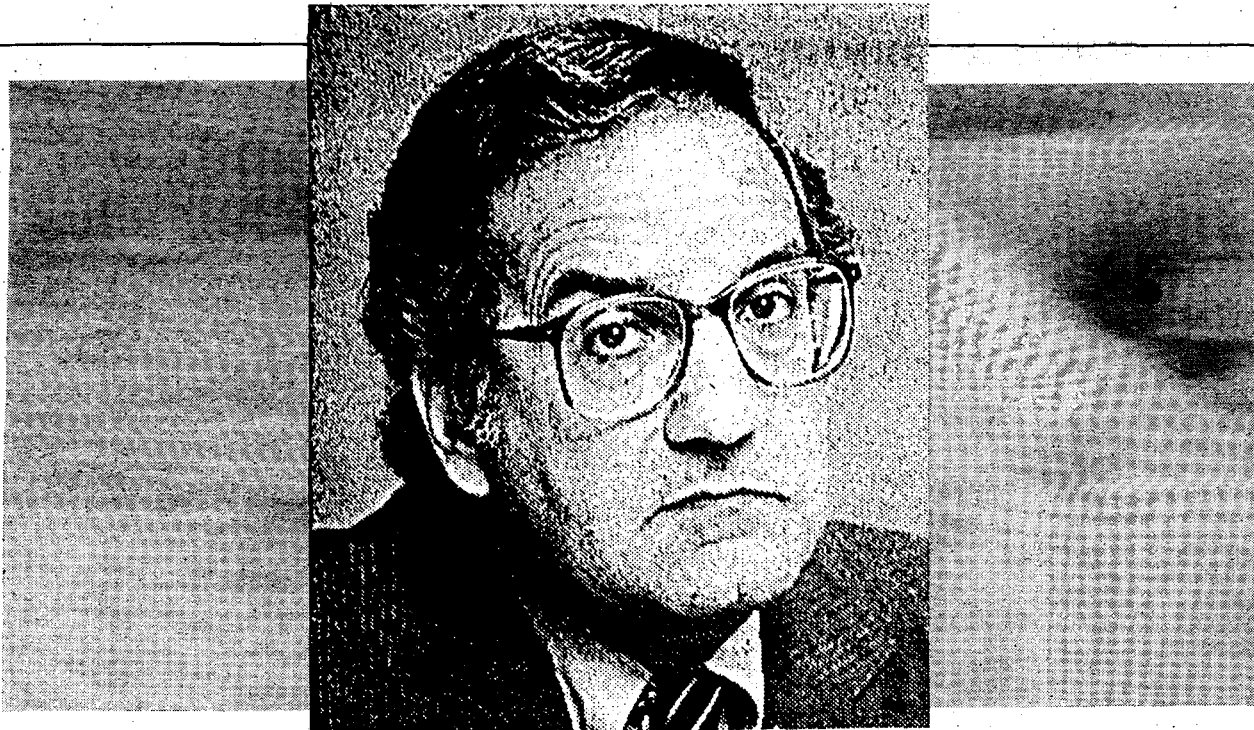
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The real lowdown is very upbeat on the Senate's new Maine man

By John B. Judis

WASHINGTON

Democratic liberals, still reeling from Michael Dukakis' defeat, had reason to cheer last week. On November 29 Senate Democrats elected George Mitchell (D-ME) majority leader to replace the retiring Robert Byrd (D-WV).

In eight years as a senator Mitchell has led the fight for strong environmental legislation. He also has helped block regressive sales taxes and tried to make the 1986 tax bill more progressive. During the Iran-contra hearings last year he was the most effective Democratic interrogator, outshining Chairman Daniel Inouye (D-HI). He also proved an unusually successful chairman of the Democratic Senatorial Campaign Committee, helping Democrats recapture the Senate in 1986.

Democratic lobbyists and policy experts waxed enthusiastic about Mitchell's election. "He's great. He's my hero," says Bob McIntyre, head of Citizens for Tax Justice. "He's always been good on taxes. And he can go on television and not embarrass the Democrats."

"He's a classic progressive Democrat," says AFL-CIO official Brian Turner. "His election is a tremendous signal. It means that the Democrats are not going to take the advice of the DLC [Democratic Leadership Council] and move to the right."

Catching Muskies: Mitchell defeated Inouye and Sen. J. Bennett Johnston (D-LA) on the first ballot. Any of the

candidates was preferable to Byrd, who helped undermine Jimmy Carter's presidency and got pushed around by Ronald Reagan. But of the three candidates, Mitchell was probably the most telegenic and the least indebted to conservative special interests.

Each candidate tried to win support by raising money for other senators' campaigns. Mitchell got his money largely from Maine supporters and from labor and health groups. Inouye drew upon the conservative pro-Israel lobby, which credits him with keeping questions about Israel's role out of the Iran-contra hearings, as well as investors and lawyers who specialize in corporate takeovers and who fear new government regulation. Johnston, chairman of the Energy and Natural Resources Committee, got most of his funds from nuclear energy and oil firms and from utilities like Commonwealth Edison.

Mitchell, the son of a janitor of Irish descent and a Lebanese immigrant textile worker, is a protégé of former Maine Sen. Edmund Muskie. After working his way through Bowdoin College and Georgetown Law School, Mitchell became an aide to Muskie and helped run both his 1968 vice-presidential and 1972 presidential campaigns. After an unsuccessful bid to chair the Democratic Party, he returned to Maine and set up a law practice. In 1977, at Muskie's urging, Carter appointed him a U.S. attorney, and in 1979 a federal district judge. In 1980, when Muskie became secretary of state, Mitchell was nominated to fill his term.

Mitchell quickly established himself as an effective senator. Assigned to the Environment and Public Works Committee, he introduced acid rain legislation in 1981 and pressed to amend the "Superfund" legislation to compensate victims of oil and chemical spills. In 1982 he was rated an underdog in his Senate race against popular four-term Rep. David Emery. One poll that winter showed Mitchell trailing Emery by 36 percent. But through tireless campaigning, Mitchell won 61 percent of the vote, sweeping Maine's blue-collar districts. This year Mitchell was re-elected with only token opposition.

Mitchell was selected majority leader more for his public presence and sheer effectiveness than his liberal political positions. His supporters ranged from Sen. Edward Kennedy (D-MA) to Sen.-elect Chuck Robb (D-VA). Practically every senator who consented to be interviewed after the vote mentioned Mitchell's superior ability to communicate on television, which is now a criterion for political leadership.

Declaring war: Mitchell, however, may prove deficient in some areas: he does not have Byrd's mastery of the parliamentary process nor Johnston's ability to push through legislation. For instance, Mitchell has waged a noble, but repeatedly unsuccessful fight to get acid rain and clean air legislation through the Senate.

This year, with anti-pollution provisions of the 1977 Clean Air Act set to expire August 31, Mitchell made a

special effort to secure a new bill. He got a bill through the environment committee by an impressive 14-to-2 vote. To broaden his support, he compromised on some provisions—including one stipulating that utilities had to pay their own cleanup costs. In July Mitchell got 28 senators—including 11 Republicans—to sponsor the bill.

But Byrd, whose West Virginia mines produce the coal that causes industrial pollution, opposed even the compromise version and refused to bring it up for a vote. Rather than trying to end-run Byrd by attaching the bill to another one, Mitchell worked out a compromise with Byrd and the United Mine Workers. But Mitchell's strategy backfired. His concessions alienated Senate environmentalists and key lobbies like Environmental Action without winning die-hard opponents like Wyoming Republican Sen. Alan Simpson. Mitchell was forced to withdraw the bill before a vote was taken.

Yet environmental lobbyists remain optimistic about Mitchell. Dan Becker of Environmental Action believes that Mitchell "is the best we could get. He's a senator, and by their nature senators want to get along with each other and to compromise."

Liberal foreign policy lobbies are also excited about Mitchell, who is both an opponent of contra aid and proponent of arms control. "He's very good on our issues," says Mark Harrison, lobbyist for SANE-FREEZE.

But some liberals question Mitchell's support for a bill that would have weakened the 1973 War Powers Resolution. Mitchell, along with senators Sam Nunn (D-GA), John Warner (R-VA) and Byrd, proposed eliminating the requirement that after 60 days the president must seek Congress' authorization for military action. In a May 19 speech on the Senate floor, Mitchell claimed that "by enabling Congress to require—by its own inaction—the withdrawal of troops from a situation of hostilities, [the War Powers Act] unduly restricts the authority granted by the Constitution to the president as commander-in-

INSIDE STORY

chief." He argued that the 1973 legislation could have "debilitating effects on our military policy by prompting presidents to think in terms of short-term military action, regardless of purpose, and by encouraging political compromises that may not be strategically sound."

Despite this position, Mitchell has also defended Congress' right to shape foreign policy. During the Iran-contra hearings and in *Men of Zeal*, the book he co-authored with Maine Republican Sen. William Cohen, Mitchell strongly opposed administration attempts to undermine Congress' role. In assigning legislative responsibilities to Congress and executive ones to the president, the Constitution "does not distinguish between foreign and domestic relations," Mitchell and Cohen note.

Congress in command: With Mitchell's selection and with George Bush as president, Congress could easily overshadow the White House. Mitchell and House Speaker Jim Wright promise to be the strongest Democratic leaders since the '50s, when Lyndon Johnson was majority leader and Sam Rayburn speaker of the House. Senate Minority Leader Robert Dole, Finance Chairman Lloyd Bentsen and Senate Armed Services Committee Chairman Nunn are also major figures who have a strong Senate base as well as a national following.

Bush lacks an electoral mandate, and on the main issue facing the upcoming Congress—the budget deficit—he has tied his hands by promising not to raise taxes. He will either have to propose politically unpopular cuts or cede control of the budget to Congress. In addition, on those domestic issues relevant to a "kinder, gentler nation," Bush may be hopelessly torn by conflicting pressures from Republican moderates and conservatives. If this proves true, Congress will be forced to take the initiative—and George Mitchell will become a regular on the nightly news.

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By Salim Muwakkil

CHICAGO

HAS JESSE JACKSON'S DASH FOR THE POLITICAL mainstream left the National Rainbow Coalition (NRC) behind in the dust? Variations of that question are being asked with increasing frequency these days, and the speculation is most intense among members of the 32-month-old group.

The decision to limit NRC's focus exclusively to Jackson's political campaign was never wildly popular among many members. But NRC officials argued successfully that political visibility could easily be parlayed into increased membership. What's more, they said, Jackson's campaign brought public attention to policy options routinely relegated to the political margins.

There was an implicit understanding that NRC would reaffirm its identity as a left-leaning, grass-roots organization following election day. Once the rigors of campaigning were put aside, many members expected to resume the nuts-and-bolts task of institutionalizing an independent political voice. But so far Jackson seems indifferent to NRC's left agenda and somewhat contemptuous of its democratic spirit.

In the wake of George Bush's victory, for example, Jackson has come out for a harder line on street crime. There's no doubt that crime is an issue of enormous concern—especially in the inordinately victimized black community—and one to which Jackson is no stranger. But in view of Bush's demagogic "Willie Horton strategy," such an emphasis does little to broaden the public's understanding of crime's social context.

Growing dissent: This new effort to seek political legitimacy by accommodating conventional wisdom is deeply troubling to those who envisioned NRC as a counterbalance to consensus politics. Many members were also angered by Jackson's unilateral decision last summer to relocate NRC headquarters from Washington, D.C., to Chicago. By not consulting members—and, in some cases, not even informing them—about the move, Jackson aggravated longstanding complaints about his capricious leadership.

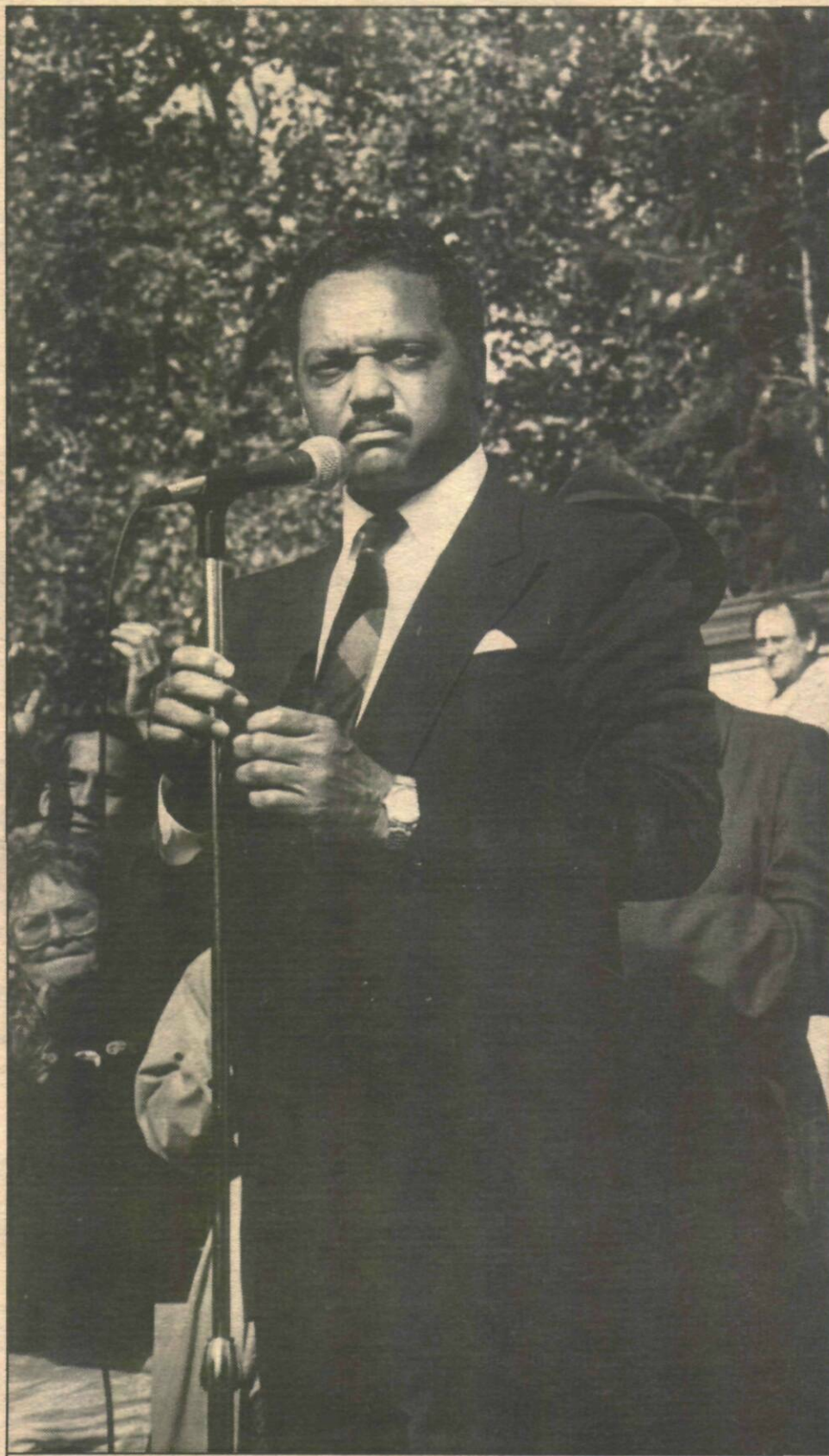
Dissatisfaction is growing within the group, but public expressions of dissent thus far have been muted. That reticence may end if a scheduled December 16 board meeting here fails to reconcile NRC officials' clashing viewpoints. The widely anticipated meeting will determine the Rainbow's future; some are predicting it will signal the group's demise.

"Reports of NRC's death have been greatly exaggerated," says Frank Watkins, a longtime Jackson aide. He concedes, however, that changes are afoot.

The group has to "reassess its role in view of the fact that we're coming out of the '88 election with more than 7 million votes," Watkins says. While he refuses to specify the nature of those expected changes, he says the NRC board will review whether "the legal foundation is adequate to where we are now."

The group, founded by Jackson in 1986 as an outgrowth of his 1984 presidential campaign, is registered as a non-profit corporation, and that designation limits its involvement in partisan politics. At its inception those limits presented no obstacles to NRC's stated mission as an independent, explicitly

What does Jesse want? Now Rainbow's asking



Many in the NRC question Jesse Jackson's forays into mainstream Democratic politics.

left-liberal organization dedicated to social and economic justice. But Jackson's electoral success has altered the group's mission.

"Jesse does seem to be moderating his views somewhat," says Rev. Herbert Daughtry, a New York-based organizer and NRC member. "But you have to remember, his constituency has expanded to more than 7 million people. His following is more diverse than the core of activists who started out with him, and he has to reflect that diversity if he wants to be a successful politician." Although Daughtry disagrees with some of those moves toward the mainstream, he understands what Jackson is up to. "We have to fight this battle on many fronts," he adds.

But other NRC members are less con-

cerned with political success. They regarded the Jackson campaign simply as an organizing tool for establishing a national movement. "We don't see ourselves as the left wing of the Democratic Party," explains Liz Blum, co-chair of the Vermont Rainbow Coalition. "Instead, we see ourselves as an independent progressive movement."

Jackson won Vermont's Democratic primary and Rainbow-backed candidates won nine seats in state legislative races. Blum and other NRC members from this atypical left-leaning state are urging Jackson to resist the allure of the political mainstream.

"Our work in NRC should focus on building a strong national network, and I don't see that happening," Blum complains. "There is a huge opening for progressive

politics in this country and NRC is poised perfectly to do the organizing." She fears the group's strict focus on partisan politics will blind it to important organizing opportunities.

Misunderstanding Jesse: Those NRC members who attribute Jackson's quest for mainstream legitimacy to a sudden campaign-trail conversion were not listening in 1986 when he made a speech to the group's founding convention. In that address, delivered during the convention's plenary session, Jackson made clear his preference for participation in the Democratic Party.

"The National Rainbow Coalition will function as enlightened Democrats, not anti-Democrats," Jackson said, pausing for emphasis. "We will leave the convention with a readiness to re-establish on a more sound basis our relationships with the Democratic Party at the national and local levels."

From its inception, NRC has been wracked with impassioned arguments debating the pros and cons of involvement in partisan politics. Jackson himself, however, has never wavered in his allegiance to the Democratic Party, despite a history of insensitivity to blacks. The party's devaluation of black concerns during Dukakis' halfhearted 1988 campaign (see *In These Times*, Nov. 1) has charged the issue anew, and those forces arguing for continued allegiance to the party—including Jackson—are on the defensive.

"It's going to be very difficult to make a case for staying within the Democratic Party after the way they treated their most loyal constituency," predicts Robert Starks, a Chicago-based organizer and NRC member. "I'll be frank: Jesse has his work cut out for him during the upcoming board meeting. He'll have to be at his rhetorical best to convince folks to remain supportive of the Democrats."

Rumors abound that mass resignations will result if Jackson insists on firming relations between NRC and the Democratic Party. "I think Jesse's going to have to begin thinking seriously about a third-party strategy," says one NRC member who requested anonymity. "Democrat officials have learned the lesson that if their party continues to be identified as a so-called black party, they will lose elections into perpetuity," she says.

"For the sake of the party's survival they'll have to project the impression that they're treating blacks more or less like Dukakis' people did," she continues. "And there are too many vested interests to let the party die. This country is heavily infected with racism, but no whites in leadership will dare acknowledge it. And I don't think Jesse is ready to give up on it yet. But soon he'll have to."

Operational unity: Although NRC members remain reluctant to criticize Jackson, they are more willing now than they were in the past—though they still do it grudgingly. Even Blum, who was more forthright in her criticism than many, takes care to praise Jackson's "monumental contributions" as she questions his current strategies.

On the other hand, there have always been serious disagreements within NRC concerning questions of methodology and tactics. Watkins says those disagreements have energized the group with a welcome creative tension and, anyway, are to be expected in a coalition of such committed activists.

Continued on page 22

INSHORT

By Joel Bleifuss

October Surprise with a twist

The story of the 1980 Reagan-Bush campaign's alleged arms-for-hostages deal was recently reported in France by *Minute*, a neo-Nazi weekly that supports National Front leader Jean-Marie le Pen (see *In These Times*, Oct. 12). The *Minute* article—published without a byline three weeks before the November 8 presidential election—said that in October 1980 the French equivalent to the CIA, SDECE (Service of Foreign Documentation and Counter-Intelligence), monitored negotiations in Paris between representatives of the Reagan-Bush campaign, including George Bush, and emissaries of Iran's Ayatollah Khomeini. What's more, *Minute* reported that SDECE's then-director, Col. Alexandre de Marenches, later gave President-elect Reagan a report on those meetings. In addition to providing new information about the 1980 deal, *Minute*'s story had a very peculiar slant.

Up to the Minute: The *Minute* article reads in part: "A bomb planted by Alexandre de Marenches is about to explode in the USA under the feet of the Republican candidate George Bush. Unwittingly, it was the former SDECE chief who will have helped provide the weapon to the Democratic candidate Dukakis. It was in 1980, on October 19 to be exact, that everything started. The presidential election was close.... A secret meeting was organized at the Hotel Raphael by a French officer, Col. B. [quite probably a reference to Col. Robert Benes, a man who is alleged by arms dealer Richard Brenneke to have been at an October 20 meeting where details of the deal were ironed out]. Attending the [October 19] meeting was an Iranian delegation, led by [speaker of the Iranian parliament Hashemi] Rafsanjani and including the arms dealer [Manuchehr] Ghorbanifar.... On the American side there was George Bush, now the Republican candidate for president and [Reagan campaign director] William Casey.... The negotiations were incredibly tight. The Iranians knew, of course, that Carter was under formidable pressure and they were hardening their positions constantly. Bush, loyally, bitterly, fought head to head. But that is exactly what Dukakis' supporters are planning to contest today.... They want people to believe that deliberately helping Reagan, Bush torpedoed Carter's negotiations so that they would not succeed before the election. That is wrong for sure. One knows that because the SDECE, as is commonly done, was following the negotiations attentively, ignoring nothing. Besides, at a later date, de Marenches sent a report to Reagan that faithfully described the meeting. [According to Bob Woodward in his book *Veil*, de Marenches visited President-elect Reagan in California in November 1980.] The problem is that a former CIA agent, who was then on duty in Germany, managed to obtain a copy of the report. [This is a reference to the man *In These Times* characterized in our Oct. 12, 1988, story as "a senior U.S. intelligence source, who was not at the meetings but claimed access to sensitive files about them."] Today this former CIA agent plans, with the help of this document, to prove that Bush betrayed Carter's confidence. But that is not so. By manipulating de Marenches' report a little, by slightly changing Iranian reticences and by magnifying Bush's refusals, one can make Bush say many things that he did not say. This is an event to follow because if it is fully exploited it can cause considerable damage to the Republican candidate." But *In These Times* readers know that was not to be. The mainstream press in the U.S. continues in general to ignore the story.

One Minute motive: So why did Reagan-friendly *Minute* publish an article that provides further evidence of a 1980 arms-for-hostages deal? There are two plausible theories. One is that this report was an exercise in damage control. Though it is not widely known, throughout October 1988 the three major networks, in addition to several leading newspapers, had reporters investigating the alleged 1980 deal. What better way for those aligned with Bush to soften the impact of a sudden breaking exposé than to be ready with an alternative scenario that went like this: Bush did meet the Iranians at a Paris meeting, but he was not manipulating the electoral process through a secret deal with terrorists. He was merely using his expertise in international affairs to get the hostages freed. And what's more, he succeeded where Carter failed—in two months the hostages were home.

Two Minute motive: The other theory is that the *Minute* story, while masquerading as a defense of Bush, is actually an attack on him by an extreme right-wing intelligence network that perceives Bush and his CIA allies as too moderate. This explana-



Sloughing Trump: On the day after Thanksgiving—the busiest shopping day of the year—the HOME-OHS staged a lie-down in Trump Tower shopping mall on New York City's Fifth Avenue to demand more housing for homeless people with AIDS. The HOME-OHS, a caucus of ACT UP (AIDS Coalition to Unleash Power), sponsored the event to protest the city giving realtor-turned-celebrity Donald Trump a \$6.2 million tax abatement to help him build Trump Tower, a luxury high rise. The HOME-OHS say that money could have been better used to rehabilitate some of the 4,500 city-owned apartments that now stand vacant. New York City's Partnership for the Homeless estimates that more than 5,000 New Yorkers with AIDS are homeless—too many for the 44 beds available to those residents who have AIDS. As a HOME-OHS brochure says, "Trump is symbolic of a system that lets the rich do whatever they want while letting the poor die."

Party of Workers establishes itself as major force in Brazil

RIO DE JANEIRO—It was a historic advance for the Latin American left. Luiza Erundina, a 53-year-old single Marxist woman, won a surprise victory in the race for mayor of São Paulo, leading her party in a series of spectacular finishes in Brazil's November 15 municipal elections that cleared the way for a possible leftist win in the presidential contest set for November 1989.

Erundina, behind in the polls until election day, was the candidate of the Party of the Workers (PT), a conglomeration of industrial workers, union activists, intellectuals, small leftist parties and socially conscious members of the middle class, founded nine years ago in São Paulo. Erundina will now administer South America's largest city, whose population surpasses 10 million and whose budget tops \$4 billion.

The PT also won the mayoral race in Porto Alegre, Brazil's fourth largest city, and finished a strong second in Rio de Janeiro and Belo Horizonte, the second and third largest cities. In all, the PT, running 22,000 candidates across the country, captured at least 36 mayoralties and some 1,000 city council seats. Before this election the PT controlled but a handful of mayoralties and had only 170 sitting members of city councils.

The victories of Erundina and the PT moved Brazil closer to the end of its "transition" to democratic rule after the 21-year military dictatorship that ended in 1985.

Erundina immediately announced emergency plans to improve São Paulo's day-care centers, schools, public housing and the clogged private mass transit system, which she has promised to bring under public control. A social worker who came up through the political ranks, Erundina said that her administration will negotiate solutions to problems like strikes and urban squatters' camps that Brazilian governments have traditionally repressed with force.

"You have 3 million slum dwellers and a million shanty dwellers while 40 percent of the city's space is unoccupied. I think that such private property is not responding to the social function of property," Erundina said. She added that as a last resort she would permit the homeless to occupy city parks and thus reverse the expulsion policy of the current mayor and former president of Brazil, Janio Quadros.

According to observers it was government insensitivity to popular problems that aided Erundina's come-from-behind victory by bringing her a large number of protest votes. Inflation has been raging at an annual rate of about 1,000 percent and hundreds of thousands of public workers are on strike. Six days before the election the government sent in troops to dislodge strikers from the National Steel Company at Volta Redonda. Three workers were killed and several dozen people injured. The incident sent political shock waves across Brazil and apparently convinced undecided voters to opt for the PT.

Other analysts point to the strong organization of the PT, the only modern and democratic political party in Brazil, where politics has for generations rested on a base of authoritarian paternalism.

The big loser in the election was the government-supported Party of the Brazilian Democratic Movement, which won most of its victories in the more traditional interior towns.

PT party activists will now be

working to harness the energy of their electoral victories for the presidential campaign of PT leader Luis Inácio da Silva. Seen as a long shot before November 15, da Silva is now emerging as a major challenger in the November 1989 election, Brazil's first free presidential contest in almost 30 years.

The other big winner in the municipal elections was the Democratic Workers Party, which is run by the

charismatic and ambitious populist Leonel Brizola, tagged by some as the front-runner in the presidential race. Brizola's candidate in São Paulo dropped out to support Erundina, and Brizola has already approached da Silva and the PT on forming a coalition for the presidential election. PT leaders, however, riding on the crest of victory, say it is too early to speak of joining forces with Brizola.

—Ken Serbin

India on the move: Mobile crèches

NEW DELHI—Her name is Soni. Building contractors call her "casual labor." As the afternoon sun pushes temperatures at the site of the new Italian Embassy here into the mid-90s, she strains visibly under the weight of the wet concrete she carries in a tin tray balanced precariously on her head.

Soni earns 14 rupees, or about \$1.07, a day. She falls into what government statisticians commonly refer to as the "unorganized" sector of India's labor force—those hired on a day-to-day basis in the agriculture and construction industries. Nearly all Indian working women are day laborers. They enjoy neither the job security nor the social benefits associated with regular employment. "These women," says sociologist Mina Swaminathan, "are among the neediest in India."

At the Italian Embassy construction site an organization known for its pioneering work in aiding India's poorest women, Mobile Crèches, recently opened its newest day-care center. It takes care of children age 12 and under, to help "ease the burden" of Soni and her fellow day laborers.

"The child is the primary focus [of

the center]," says Manju Vaish, who has worked with the organization for the past five years. "But we're also concerned about the mother, who is often a harassed homemaker living in a hovel with none of the basic amenities, like clean drinking water and proper sewage facilities. Our staff is trained to educate women in matters of hygiene, nutrition and other aspects of child care and family management. The working woman in India, especially the poor, has no respite. By caring for her children we hope to ease her burden."

Under Indian law, companies employing at least 20 women are required to provide adequate on-site day-care facilities for children. But Kali Vahra, a Mobile Crèches official says few do. "They build boardrooms instead."

Mobile Crèches was founded in 1969 by Meera Mahadevan, a writer who was so moved by the sight of children playing in the mud while their mothers worked that she put up a tent at one building site in New Delhi. That became her first crèche.

"That tent was her beginning," says Mina Swaminathan, the author of *Who Cares?*, the definitive study of day-care facilities in India. "She had no theories, no money. But she soon found a handful of dedicated volunteers to match her unswerving passion and determination."

The organization grew rapidly, helped by a stream of volunteers and ungenerous but adequate funding from the Indian government, as well as support from national and international charity agencies and individuals. In the past 19 years Mobile Crèches has opened 162 day-care centers throughout India, moving—as its name suggests—from one construction site to the next as needs arise. "Each center," says Vaish, "exists only as long as construction lasts."

Currently the organization runs about 50 mobile day-care centers throughout the country that serve about 4,000 children.

The success of Mobile Crèches has inspired other volunteer organizations in India to provide services roughly modeled after Mahadevan's example. Today some 1,500 agencies operate about 8,000 centers that serve 200,000 children.

"Mobile Crèches has had an impact out of all proportion to its size," says Swaminathan. "It was so radically different, so imaginative and so compelling that it quickly attracted attention throughout India and worldwide."

"We hope to be able to continue to grow," says Vaish.

Adds Soni, cuddling her two-year-old son, "It's given us some hope."

—Gary Yerkey

Sports for sale

Watch kickoffs closely on NBC's National Football League telecasts this Sunday and you will see the only real innovation in the sport this season—the "capital formation." Budweiser gets to frame the actual start of play with an ad that announces: "This kickoff is sponsored by Budweiser, the King of Beers."

The obliteration of the line between the commercial and the sport originated in Anheuser-Busch's semi-advertisements during the 1986 World Cup, where the Budweiser logo framed live-action pictures of soccer matches. Most viewers probably rejoiced in this sponsorship. The alternative in commercially telecast soccer is to break for ads while the action continues, or to televise pre-taped, edited matches. But on the football field, there is no cause for rejoicing.

The sportswriting chorus, so sensitive to "the commercialization of sports," when athletes or unions can be blamed, has made little mention of this latest advance in sport as commodity. Live action, the moment of play, is now corporate-owned.

Few sports journalists seem to care. Not even noted is the obvious point that the advertisement makes a mockery of the league's drug program—if that is now possible.

As outrageous as the new ads are, their coming was inevitable. In this century, sport and the sales pitch have never been far apart. From the first billboard fences in the old baseball parks, business has consistently attempted to control some of the space associated with sport. This trend continues with the athletes themselves becoming moving billboards, with their shirts, jackets and shoes endorsing products. Sometimes, as with professional tennis players wearing golden arches on their shirts, the products have nothing to do with the game. In football, athletes are barred from hustling such ads—witness the 1985 controversy over Chicago Bear quarterback Jim McMahon's logo-laden headband, but the league itself can combine commercials and live action.

The athlete-as-ad is only one thing that blurs the separation between "game time" and time for commercials. The "TV time-out" is another. As is naming the "Chevrolet most

valuable player" in the last minute of basketball games. Or take the recent United States Tennis Open telecasts that featured announcements of the percentage of first serves players were putting into play. Although this calculation requires only long division, the announcers were careful to observe, "This statistic is brought to you courtesy of UNISYS." The Pentagon's insidious "Be All You Can Be" ads sponsor filmed football footage during breaks in a live game, as do IBM's "You Make the Call" commercials. In the baseball bleachers lavish scoreboards blare commercials. And on radio, sports announcers run corporate-sponsored contests one inning a game: "A home run is worth \$500 to some lucky listener." Living in Mid-Missouri, my eight-year-old believes "Pizza Hut Home Run" is the full and correct term.

We wait for: "This spitball is brought to you by Skoal Chewing Tobacco," or perhaps one Super Bowl team wearing "Tastes Great" jerseys with the opposition wearing uniforms that read "Less Filling." It's mourning in American sports.

—Dave Roediger

tion posits that de Marenches and *In These Times*' "senior U.S. intelligence source" are both active in this anti-Bush network. There is some evidence to support this scenario. *In These Times*' source, in addition to providing useful and verifiable information, praised Lyndon LaRouche's *Executive Intelligence Review* and strongly defended jailed CIA operative Edmund Wilson. As for de Marenches, Woodward reported in *Veil* that at their meeting de Marenches warned Reagan: "Don't trust the CIA. These are not serious people." Woodward interpreted this statement to mean that the CIA lacked "purposefulness."



For now Joe Hill's remains are resting in a white jar at IWW headquarters in Chicago.

© Paul Cornstock

As for Joe Hill's ashes

What should the Industrial Workers of the World (IWW) do with Joe Hill's recently discovered ashes? (The ashes, confiscated in 1917 by the Bureau of Investigation, the forerunner to the FBI, turned up this year in the National Archives.) Last month we asked readers to enter their suggestions in an In Short Ashes Contest. There were many worthy entries. And the winners are:

Mike Matejka of Bloomington, Ill.: "In the spirit of solidarity and industrial unionism Joe Hill represented, his ashes should be distributed 'wherever workers organize.' Perhaps a fragment of them should go to South African miners, another little piece to the unions blooming in El Salvador and perhaps another to peasant organizers in the Philippines."

Edna V. Vanek of Chicago: "The ashes should go wherever the IWW archives are. Joe Hill was a labor martyr and his ashes should be treated with the respect and care given to religious martyrs whose remains, in bits and pieces, are enshrined in religious temples. Lacking temples of labor, an archive is the next best place."

Lechman Weichselbaum of Brooklyn, N.Y.: "They built a tomb for Lenin. How about something—though of course on a much more modest scale—for our own Joe Hill?"

Donny Barth of Chicago: "I think one should create a memorial in which to display his remains. Adjacent to this memorial would be a multimedia interactive system where people could get information about Joe Hill's life and the IWW. People could leave their impressions, thoughts and comments on this computer system and read others' comments. The system would be connected to other points around the world so that various 'workers of the world' could exchange ideas. A very costly idea, I know, but with great potential."

Jeff Creque of Bolinas, Calif.: "It seems a windy hill somewhere in Western mining country would be an appropriate spot to cast Joe Hill's ashes to the wind. The image of fading flowers coming to life suggests that a recovering strip mine site might be appropriate. The hill should be designated a national monument, and renamed 'Joe Hill.'"

Stan Campbell of Rockford, Ill.: "Raffle the ashes off in a nationwide contest with the proceeds going to strike funds of democratic unions."

Gregory Johnson of Woods Hole, Mass.: "Joe Hill's ashes should be scattered from a helicopter over the presidential inauguration of George Bush."

Abbie Hoffman of Solebury, Pa.: "I hope no one takes this in a ghoulish way, but have the IWW pick a dozen potential 'Joe Hills.' Each would swallow a teaspoonful of ashes. In their wills they too would ask to be cremated and the process repeated."

By Daniel Lazare

NEW YORK

THE DEEPENING GLOOM OVER THE U.S. deficit is not only an economic crisis but a constitutional crisis—constitutional with a small “c” because it touches on the governance of the entire Western Alliance as well as the U.S.

On one hand, there are the parliamentary democracies of Western Europe, Canada and Japan, which generally manage to dispose of their affairs with a modicum of briskness and efficiency. Confronted with a proposal for a sweeping U.S. free-trade agreement,

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Canadian voters debated for a mere 50 days, then settled the issue, at least for the time being, with a single trip to the polls (see story on page 11). Margaret Thatcher may have stripped Britain of much of its industrial base and saddled the country with a negative balance of payments, but at least the specific enterprise she heads, the British government, is safely in the black this year with a projected \$18-billion surplus.

Then, on the other hand, there is the U.S., a government so deeply in the red that it has all but given up trying to dig itself out. In contrast to Canada, the U.S. has just come through a grueling 12-month election in which the deficit was either ignored or papered over with a lot of nonsense about a “flexible freeze” (Bush) or the enhanced revenue collections that would supposedly come from a beefed-up IRS (Dukakis).

For the foreigners who have loaned the U.S. well over \$1 trillion since 1981, the results were deeply unsettling because it looks as if the American system is more interested in candidates’ sexual mores or whether they begin each morning with a Pledge of Allegiance than in the more pressing issue—from their point of view—of how to pay the country’s debts.

Dumping for dollars: Consequently, by October, just as the presidential campaign was switching into high gear, the dollar was beginning its descent. Each time Bush told voters to “read my lips: no new taxes,” it sank a little lower. By November 9, when it became evident that power in Washington would be hopelessly divided between a Republican White House and a Democratic Congress, it was ready to fall through the floor.

“Business cheers the Bush victory,” the *New York Times* assured its readers on November 10. Foreigners heave a “sigh of relief” over the election of a free-trade Republican, reported the *Wall Street Journal*. Yet at the same time, the people who really count—America’s creditors—were signaling their panic by dumping dollars, unloading U.S. stocks and boosting interest rates.

What’s going on? Why does it seem to be morning in America when the dusk is settling abroad? Some of the reasons are well-known—the global economic slump, the increasing burdens of empire as the U.S. redoubles its efforts to police the world, etc. But at least one is not.

This is the problem of the U.S. Constitu-



How the Founding Fathers got us into this deficit mess

tion. Heretical as it may sound in the afterglow of the bicentennial, America is saddled with one of the worst government structures in the world. In moments of stress, it doesn’t provide for the smooth and fluid exercise of power, as government should. Instead, it tends to freeze up and enter a kind of rigor mortis at all the wrong moments. Rather than allowing people to concentrate on the task at hand, it fairly ensures that they will fritter their energies away on a lot of side issues. The Constitution not only prevents the coming together of a left-wing majority—as the oligarchical James Madison assured supporters it would in *Federalist Paper No. 10*—but mitigates against the formation of any coherent majority program at all.

In the past, presidents confronted by a recalcitrant Congress have managed to break the deadlock by assuming near-dictatorial, extra-constitutional powers (e.g.,

In moments of stress, the Constitution doesn’t provide for the smooth and fluid exercise of power.

Lincoln in 1861) and daring anyone to stop them. But since the problem now is a recalcitrant president, that solution, even if desirable, does not present itself. Consequently, the deadlock between a president pledged to no new taxes and a Democratic Congress determined to make him eat his words promises to continue to at least 1991 and possibly beyond.

A few knowledgeable foreigners have long been aware of this flaw in the U.S. system but have either kept it to themselves or have had trouble making themselves heard. One of the few to break through was a former

British member of Parliament and a minister in the Macmillan and Douglas-Home governments named Peter Smithers, who, in a penetrating essay in the *Wall Street Journal* in December 1987, expressed astonishment that, in the event of a deadlock, “the president has no power to dissolve Congress so the electors may choose between him and them.” A prime minister can put the question before the voters, yet in the U.S., with its artificial distinction between the executive and the legislative, there is no way out until the next regularly scheduled election. Even then, due to inveterate ticket-splitting and the decline of the parties, the logjam may actually continue.

“The decision-making mechanism in the U.S. is, in the literal sense of the word, incoherent,” Smithers wrote. The balance of powers leads inevitably to “a conflict of wills and a dangerous paralysis of government,” the upshot being that “the world’s richest country, custodian of the reserve currency, is willing to devalue that currency as an alternative to balancing [its] budget.”

Seedy policy: The seeds of the latest constitutional breakdown were planted in 1981 when Congress approved President Reagan’s \$100 billion tax cut and a substantial increase in military and related spending. Euro-rightists were skeptical of the former but approving of the latter, and so they went along. Despite pursuing traditional, Herbert Hoover-style, deflationary remedies at home, Thatcher supported the supply-side revolution in the U.S. because, as keeper of the reserve currency, the U.S. seemed to enjoy certain prerogatives that Britain did not.

By borrowing, it could inflate credit in a world economy badly in need of a lift. It would not collapse as Mitterrand’s government nearly did in 1981, but would hold up under the load. Lending to the U.S. would not only be good business but good politics—an expression of faith in Reagan & Co.

The more debt the U.S. government took on and the more the dollar rose, the more Reagan seemed to swell with pride.

Others fretted however, which is why congressional Democrats, aware that the strong dollar was undermining agriculture and manufacturing, began pressing for a tax increase and clamoring for a balanced budget. In 1984, Walter Mondale, in defiance of the common wisdom, ran on a platform of higher taxes. The common wisdom held and Mondale lost, whereupon the Democrats shifted tactics.

No longer would they allow themselves to be painted as the party of higher taxes. If the Republicans wanted more revenue, they would have to go before the voters themselves. Gramm-Rudman was simply a bipartisan exercise in closing all the exits but two: reduced spending or increased revenue. If the GOP couldn’t accomplish the former—and the deadlock over social versus military spending made it unlikely that they could—they would have to opt for the latter. The Republicans had gotten the country into this mess, and Democrats were damned if they were going to bail them out.

Thus, by 1988, taxes were a topic that most presidential candidates chose to skirt, Republicans out of supply-side zeal, Democrats to avoid a repeat of 1984. In a left-liberal variation of the supply-side theme, presidential candidate Paul Simon announced that he had found a way to boost social spending without raising revenue, but few people were convinced, and his candidacy died. Bruce Babbitt came out foursquare for consumption taxes, which was brave but also regressive, and his candidacy fizzled as well. Jesse Jackson called for taxing the wealthy, but since it was so far outside the bipartisan consensus in Washington, it was widely deemed unrealistic. Dukakis ruled out any tax increase other than as a last resort, while promising to strengthen the IRS by hiring thousands more tax inspectors. Since this was the mildly soak-the-rich, technocratic solution least offensive to most Democrats, Dukakis got the nomination—and lost the election.

By contrast, Bush got off to an early start promising not just to hold the line on taxes but to reduce them by cutting the rate on capital gains. The message caught on, and with each new “read my lips,” his political fortunes rose. Simultaneously, U.S. fortunes fell, and the mood in international financial circles was turning grim. On October 17 the *Financial Times* wrote in an editorial that the U.S. was overextended, Reagan was “enfeebled” and the yawning deficit was “hogging” capital that would be better invested in the Third World.

“[U.S.] problems may well be small when compared to those of its rival [the Soviet Union],” the *Financial Times* said, “but so, it appears, is the likelihood that a president will be elected with the capacity or, indeed, the mandate to tackle them.” In an editorial headlined “Oh dear,” the *Economist* refused to endorse either candidate, an implicit recognition that whoever won, the rest of the world would lose.

Since then, the deluge: As a *Financial Times* reporter noted recently, “France’s stock market has appeared to be much more worried by the election of a right-wing president than by the re-election of the socialist Mr. Francois Mitterrand on its home turf.” In

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ON NOVEMBER 8 VOTERS CHOSE GEORGE Bush to be their next president, and the Dow-Jones industrial index fell 3.7 percent for the week. It was the largest postelection decline since Harry Truman's victory in 1948.

The prospects of four more years of pro-business policies could not overcome what everybody read on Bush's lips—no new taxes and, it must have seemed, no significant reduction in federal budget deficits.

But hasn't the economy been expanding without interruption for six years? And hasn't deficit spending been largely responsible? The answers are yes and yes—but, in the words of a well-known former economics student, you "can't get no satisfaction" from that.

The business upswing that began in November 1982 has been weaned on massive doses of credit. All sectors of the economy—households, businesses and government—have been borrowing at faster rates than at any other period in postwar history. The main engine behind the six-year expansion has been the federal government's deficit spending, a result of the sharp increases in military outlays from 1981 through mid-1987 and the "supply-side" tax cuts of 1981-83.

Without these federal deficits, representing the most aggressively stimulative fiscal policy of any administration since World War II, the recovery from the stagnation of 1978-82 would have been considerably slower. Even with the deficit adrenalin, the basic indicators of the economy's health—real gross national product (GNP), business investment, non-agricultural employment and spendable income per person—have all been growing less rapidly in the '80s than they did during the much-maligned '70s, and much less rapidly than during the '60s.

So the problem raised by the deficits of the '80s is not that they have "crowded out" the private economy or impeded its growth—quite the contrary. Nor is it the size of the deficits alone. From 1982 through 1986 the deficits averaged 4.8 percent of the GNP, far less than during World War II (25 percent of GNP) and only slightly more than during the depths of the 1973-75 recession (when they peaked at 4.4 percent). In recent years higher deficit-to-GNP ratios have been reached in Canada and Western Europe. This year the U.S. ratio should drop to 3 percent.

So what's the problem? The dilemma posed by the Reagan-era deficits is twofold—their international and their economic policy repercussions, and the two are interrelated.

Internationally, the Reagan administration's macroeconomic policies have been a study in classic unilateralism—the idea that the U.S. can take any action it wants without considering the costs, and that it is up to the rest of the world to handle those costs as well as it can. For Ronald Reagan, all that was needed to restore America's imperial prerogatives was the will to do so.

But the relative size and strength of the U.S. economy had been declining well before Reagan took office. One sign among many is that the U.S. is now producing about 20 percent of the world's output of goods and services, compared with 52 percent in 1950. Thus Reagan's unilateralism collided with receding U.S. power. Somebody forgot to translate the lessons of Vietnam into economic terms.

It was through monetary and fiscal policies that the Reagan administration

If a recession strikes, it could be a whopper

tried, in effect, to impose its own priorities on its "allies" in Europe, Asia and North America. But the Federal Reserve's tight money policy of 1979-82 and the federal budget deficits of 1982-86 created a huge foreign trade deficit, and a near-perfect economic trap for the U.S. How did this happen?

First, U.S. exports were made more expensive, and imports made cheaper, by the

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dramatic, 60 percent rise in the price of the dollar on foreign exchange markets from 1980 through early 1985; this was chiefly an effect of the higher interest rates in the U.S. Second, the large and increasing federal deficits caused national income to grow faster, allowing consumers and businesses to purchase more of everything, including imports. The net result was slow growth in exports, rapid growth in imports and merchandise trade deficits of \$113 billion in 1984 and \$160 billion in 1987.

Together, the federal government, business firms and households continued to buy more than the U.S. economy itself was producing, as foreign companies supplied Americans with everything from cars, computers and industrial machinery to shoes and shirts. In financial terms this means outspending one's income; anyone who lives like that goes into debt. Nations are no different, and soon the U.S. was borrowing heavily from foreigners. The U.S. was spending more on foreign goods and services than foreigners were spending on American products. To cover the imbalance, the U.S. gave foreigners IOUs. Foreign money was now paying for the U.S. trade deficit and part of the budget deficit. From 1981 through 1988 foreigners lent the U.S. \$700 billion to finance the twin deficits.

When foreigners supply such funds to the U.S. they acquire American assets in return—U.S. government securities, corporate stocks and bonds and other dollar-denominated instruments. If they were to lose confidence in American policies and no longer buy these instruments, or dump them, the dollar would plunge in value, and disorder would reign in financial markets, with possi-

bly unmanageable domino effects. This is why "bringing the deficits under control" is the cry heard across the land. Easier said than done at this late date—much easier.

The classic way to reduce a nation's trade deficit is to allow its currency to depreciate on foreign exchange markets: its exports become cheaper and its imports costlier. The U.S. dollar has dropped sharply since 1985, back to where it was in 1981. And the trade deficit has narrowed, but at a snail's pace. A further drop in the dollar may be necessary; former Reagan adviser Martin Feldstein suggests 20 to 30 percent over the next three years.

But that could lead foreign investors to cease lending to the U.S. and sell off their U.S. bonds and stocks, rather than watch them lose value as the dollar depreciates. An additional danger from a free-falling dollar is inflation, as more expensive imports push up prices and also allow some U.S. companies to raise prices more than they otherwise would. For example, if Toyotas and BMWs become more expensive, GM and Ford have more room to raise their own prices.

Dead ends: The usual solution? The Federal Reserve could raise interest rates to stop inflation and compensate foreigners for any

The question is which will come first—a crack in the international financial system or a recession in the U.S., or both.

slide in the dollar to keep them investing in U.S. securities. Market forces tend to produce this solution by themselves: any sudden drop in the dollar rattles financial markets and pushes interest rates upward.

But this is dead end No. 1. A "spike" in interest rates would cause a fall in the stock and bond markets. It might also force cutbacks in consumer spending and business investments, tipping the economy toward recession.

Another classic solution? Raise taxes to cut the federal budget deficit. This would reduce America's dependence on foreign funds and its vulnerability to a decision by foreigners to get rid of dollars or stop buying U.S. debt.

This is dead end No. 2. Even if a substantial

tax increase were possible, it would end the six-year expansion and likewise open the door to a recession.

An orderly solution to the twin deficit problem is not inconceivable. It would consist of a "soft landing"—a continued, modest decline in the dollar that would reduce the trade deficit without scaring off foreign holders of U.S. debt, and a gradual shrinking of the federal deficit through "revenue enhancement" and "flexible freezes" (tax increases and renewed slashes in social spending, with token reductions in Pentagon outlays). Foreign governments and central banks would cooperate by intervening to stop the dollar from collapsing and by purchasing enough U.S. securities to maintain confidence in American financial markets (and their own as well, with the financial systems of all capitalist countries so interdependent).

But anyone who thinks that rationality will prevail could be in for the rudest of awakenings. The question is which will come first—a crack in the international financial system or a recession in the U.S., or both.

The financial climate continues to be dominated by Oct. 19, 1987, and the knowledge that it can happen again. In the intervening year or so, Americans have heard from several quarters—some of them on the left—that the crash merely punctured the speculative bubble on Wall Street, doing no lasting damage to the economy or its growth prospects. But that conclusion is premature. Only massive intervention by the Federal Reserve on Oct. 20, 1987, headed off absolute chaos in American and world stock markets and banking systems. The Fed's rescue allowed the Reagan expansion to continue its corrosive work.

Paul Sweezy and Harry Magdoff, writing in the November 1988 *Monthly Review*, summarized these events this way: "Rescued from this threatened disaster, the economy persisted on its pre-crash course, with a continued rapid expansion of debt, private and public, providing the driving force."

The debt structure is now shakier than in 1987. Any defaults or bankruptcies in the highly leveraged corporate sector, or in the trouble-racked savings and loan industry, or in a Third World nation indebted to Western banks, could snap a weak link in the chain of credit, debt and investment plans, reviving all the barely submerged fears of October 1987.

Any which way: The odds, however, favor recession, and not only because all recoveries end someday. No country can borrow forever to finance a deficit in its balance of payments, and no country can go on forever consuming more than it produces. In a free-market economy, the forces that tend to reverse this situation are higher prices, higher interest rates, and—under pressure from foreign bankers and investors—higher taxes. Higher import prices erode consumer purchasing power, higher interest rates inhibit investment, especially in new housing, and higher taxes (or cuts in government spending) directly reduce GNP. Any which way, they slow down the economy. And when recession sets in, it must be allowed to do its curative work, bringing the trade deficit under control and throwing people out of work so that wage demands do not become "excessive."

The scariest prospect is that the next recession could be a whopper. Once it begins, retrenchment in business investment and consumer spending for durables could be

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By David Moberg

WHAT DO THESE EVENTS OF THE PAST few years have in common? Sears decides to sell its corporate landmark, the world's tallest building, and shift 8,000 workers out of downtown Chicago. Ford slashes middle management by one-fifth. Safeway, saddled with huge debt in a defensive buy-out, eliminates 8,500 Dallas-area jobs, then sells other divisions to buyers who extract wage concessions.

Meanwhile, USX becomes primarily an oil company, and sloughs off as many steel mills as it can. Continental Airlines declares bank-

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ruptcy and smashes its unions. Chrysler acquires AMC, then closes a plant it bought, threatens to move more production to Mexico and tries to sell its component part division. Mikhail Gorbachov advances *perestroika*. The Chinese smash the "iron rice bowl." Margaret Thatcher privatizes British industry. Ronald Reagan shreds the social safety net. The International Monetary Fund orders Third World debtor countries to cut subsidies for staple foods and emphasize export crops.

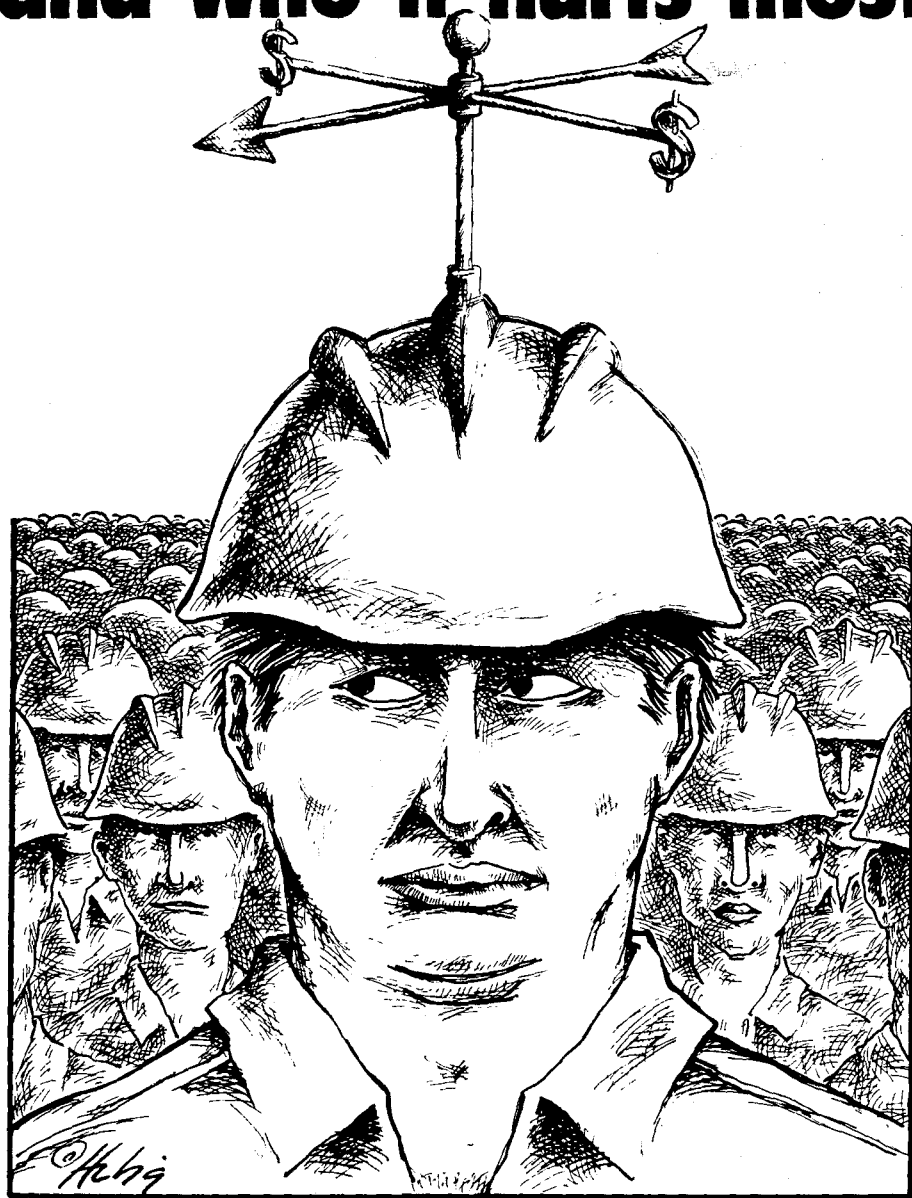
In the antiseptic terminology of our time, these events are examples of contemporary economic "restructuring." The word has come to cover so much that its meaning has been muddled. But it usually refers to dismantling existing structures—of a company, a country or even international economic relationships. In most cases the new structures rely more heavily on market mechanisms, at least in the short run. For employers, that usually means more power; for workers, less security.

The good, the bad and the ugly: Even if the overstretched word is bland and bloodless, restructuring's widespread use is instructive. As historian Joyce Kolko noted in her recent book, *Restructuring the World Economy* (Pantheon), "During the Great Depression, no one considered restructuring the world economy." Instead people simply dreamed of recovery. Now restructuring often implies defense against hard times, either now or soon to come, not expanding the global economy.

Restructuring also suggests that somebody has a conscious plan, even though much restructuring has been seat-of-the-pants anarchy more than clearly conceived strategy. Not everything labeled restructuring is all bad or all good, whether from the viewpoint of the workers or from some Olympian perspective on the good of the world economy. In any case, it's not at all clear where these diverse restructurings are taking us.

Bennett Harrison and Barry Bluestone, political economists at MIT and the University of Massachusetts/Boston, tackled the phenomenon with perceptive verve in *The Great U-Turn: Corporate Restructuring and the Polarizing of America* (Basic Books), a first-rate guide to what's happening to the U.S. economy. Harrison and Bluestone sparked controversy with earlier papers showing that starting in the mid-'70s the U.S. economy made a dramatic U-turn. Incomes stagnated or declined; the long post-World War II trend toward less inequality and lower

What restructuring is—and who it hurts most



levels of poverty was reversed; the middle class declined; and, especially after 1979, a much larger, growing share of new jobs paid low wages.

This abrupt shift has been one result of the ongoing restructuring of American business. Harrison and Bluestone argue that

Restructuring usually results in a stronger reliance on market mechanisms. That means more power for employers, less security for workers.

there was also a U-turn in business-labor relations, government policy and corporate finance. As corporate profits slipped after the mid-'60s, they argue, business looked for ways to restore earnings. They blame international competition primarily for the decline in the rate of return on capital, but the profit rate started slipping even before foreign competition got fierce.

Instead of building better relations with workers, investing in new technology, designing better products, American businesses "abandoned core businesses, invested offshore, shifted capital into overtly speculative ventures, subcontracted work to low-wage contractors here and abroad, demanded wage concessions from their employees and substituted part-time and other forms of contingent labor for full-time workers—all in the name of 'restructuring,'" they write.

The economists calculate that four-fifths

of the new inequality came from government economic restructuring, starting with Jimmy Carter and intensifying with Reagan, such as deregulation, budget cuts and tax cuts for the rich and corporations. Government management of the economy couldn't break the stagflation of the '70s. As productive investment seemed less profitable, investors turned to speculation, feeding on the new inflation and instability. Big cities became more exclusively centers for control of far-flung corporate empires. Jobs in those cities were increasingly divided between low-wage services and highflying finance and related professions, whose ranks were serviced.

The U.S. is losing manufacturing, Harrison and Bluestone argue, but changes within industries—largely depression of wages—account for four-fifths of the new income inequality. Only one-fifth stems from shifts among industries, such as manufacturing to services. In response to critics, the writers show that the U-turn in inequality and earnings has not been significantly caused by more women entering the work force, the baby boom or business cycles. Although the rapid rise of involuntary part-time and other contingent work—such as temporary jobs and subcontracting—contributes to the new inequality, year-round, full-time work shows the same trends.

Harrison and Bluestone, as well as Kolko, cite shifts of U.S. manufacturing overseas—often to countries with much lower wages—as an important part of restructuring. Others have also described such shifts of manufacturing to poorer countries while corporate control remains in the richer countries as "globalization of production" or the "new international division of labor."

Nearly everyone can think of examples—such as U.S.-label televisions or cars made in Taiwan or Korea—that support this idea. U.S. multinationals have actually increased their share of world production while the share produced by the U.S. as a country has declined.

Chaos and decay: But economist David Gordon, writing in the March-April *New Left Review*, raised many doubts about popular left views of world investment and trade. Gordon argues that the shifts of industrial production to less-developed countries are not huge by historic standards and have not accelerated in recent years. Most important, there is enormous variation among less-developed countries: U.S. corporations have favored a few Asian countries, along with Mexico and Brazil, for investment to export back to the U.S. Overall, the precise location of foreign direct investment is more influenced by prospects of stability than by low wages, he argues. His evidence, however, does not preclude greater importance of lower wages in the initial, abstract decision to locate somewhere overseas.

The world is witnessing a period of chaos and decay more than the emergence of a new global order, Gordon argues. And powerful as multinational corporations seem to be, the world is not their oyster. They are vulnerable to government decisions and can be controlled, he argues against those who see unrestrained multinational dominance.

Bluestone and Harrison, who see more threats from capital "hypermobility," also offer policy alternatives to current restructuring, including industrial policies, managed trade, workplace democracy, organizing the unorganized, rebuilding public infrastructure and expanding social services.

Whether the world economy is in a period of simple decay or restructuring, it's clear that insecurity is growing, and not only for workers. The entire global economy is shaky, as Harrison and Bluestone argue. It is too dependent on an illusion of prosperity in the U.S. sustained by debt and military pump priming. Defensive actions against those threats to security may lead to a much different restructuring, but labor and the left cannot rest content with trying to defend workers against insecurity. They must also look for positive principles of reorganization that encourage worldwide economic growth.

Michael J. Piore and Charles F. Sabel of MIT argue in *The Second Industrial Divide: Possibilities for Prosperity* (Basic Books) that the mass production system is itself at the heart of the contemporary global economic crisis. Socially and technologically the future belongs to more flexible, smaller units of skilled workers who are linked together into cooperative industrial communities, they argue. These socially supported communities of flexible specialists using advanced programmable technology are driven to innovate and compete, but not to destroy each other. They offer successful examples, ranging from machine tool manufacturers of southern Germany to the specialized textile producers of the Prato district of Italy.

Certainly the U.S., in many industries, could—and should—adopt Piore and Sabel's model in response to the new worldwide decay and/or restructuring. But it is not the whole solution. In any case, without a strong, democratic voice from workers and communities, the overall results of the current restructuring are likely to be disastrous, no matter how many laudable instances there may be of "working smarter" or cutting managerial fat. Much of that gloomy prospect is already foreshadowed in the great U-turn. □

By Diana Johnstone

THE WEST GERMAN BUNDESTAG HAS A NEW president, Rita Süßmuth, whose advocacy of women's issues during her three years as minister of family affairs won her a popularity second only to Foreign Minister Hans-Dietrich Genscher. Socially progressive Christian Democrat Süßmuth rivaled the Greens in innovative projects favoring women.

Süßmuth's change of job comes just in time to cover the embarrassing fact that opposition from within her own party prevented her from accomplishing much of anything.

The Jenninger affair: The Süßmuth appointment was a quick political recovery by the Christian Democrats after the momentary embarrassment of Philipp Jenninger's sudden resignation as Bundestag president. Jenninger, a colorless 56-year-old Christian Democrat, had insisted on delivering a major address to the Bundestag in a special session November 10 commemorating *Kristallnacht*, the night of vicious pogroms that shattered the lives of Germany's half-million Jews 50 years ago. Jenninger had spent a lot of time in the library and arrived with a very long speech and great expectations that it would be hailed as a moral milestone.

Instead it was a scandal. Bundestag colleagues walked out; foreign newspapers reported an explosion of "anti-Semitism" and "pro-Nazi ideas" in the Bundestag. Foreign observers had a hard time grasping quite what was wrong. To make matters clearer than they were, some newspapers presented the speech as an outright apology for Nazism. In Israel, *Maariv* headlined "Jenninger defends Hitler era." Stunned, Jenninger resigned the next day, complaining that "some things cannot be called by their name" in Germany.

A baffled Jenninger wrote in his letter of resignation that he had always "done everything I could for reconciliation with the Jews and to promote the vital interests of the state of Israel."

Jenninger explained afterward that his intention was to answer the frequent question put by young people, how could the Germans of that period stand by and let such crimes be committed?

Instead of talking about what Jews in Germany lived through in November 1938, Jenninger undertook to describe the period from the viewpoint of the ordinary conformist Germans who thought that Hitler was a great leader and that perhaps "the Jews deserved to be put in their place." There was nothing in his flat delivery to indicate his own attitude. When he stressed the "fascination" exercised by Hitler's political triumphs in 1938, or recalled the ugliest of Nazi racist ravings, he seemed to be dwelling on these horrors with a sort of dogged gloating. To many, he sounded altogether too much like the average German beer drinkers, talking about the Hitler times and "the Jews" with emphatic but ambiguous objectivity.

Writer Lothar Baier said Jenninger confused a Bundestag speech with a group therapy session. The speaker seemed to wallow in uncorrected Nazi ideology, rubbing everybody's nose in it.

By the time Jenninger got to the part about the "Darwinian" anti-Semitic view of the "eternal conflict of races" between the "healthy, strong, useful" Germans and the

Germany's chronic illness and a group therapy session

Jewish "vermin," about 50 Greens, Social Democrats and Liberals had had enough and walked out.

Former Social Democratic Chancellor Willy Brandt held his head in his hand as Jenninger was speaking, and lamented after-

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ward over the "dark day in German postwar history." The speech was a failure, "not because Jenninger is a bad guy, but because he went in over his head."

And Social Democratic Party (SPD) Chairman Hans-Jochen Vogel said, "There were moments when one wanted to sink through the floor."

Good advice: Some newspapers commented that if Jenninger had listened to the Greens the catastrophe would not have taken place. The Greens wanted to invite the chairman of the central council of Jews in Germany, Heinz Galinsky, to address the Bundestag. But Jenninger felt inspired.

Having opposed Jenninger's speech in advance, the Greens expected the worst, no doubt, and thought that was what they were hearing.

Jutta Oesterle-Schwerin, a Green Bundestag member of Israeli origin, took the floor to complain that Jenninger's speech was a mixture of admiration for the Third Reich and bad conscience that showed anti-Semitism is still very much alive in Germany. Oesterle-Schwerin had objected from the start to the commemoration as hypocrisy on the part of a Bundestag which refused to vote compensation to Gypsy victims of Nazi genocide.

The Bundestag Greens immediately called for Jenninger's resignation as the "necessary consequence of his shameful speech." The Greens promised to force the Bundestag to review its own postwar record in dealing with the Nazi past.

Moral optimists saw the resignation of Jenninger as a step ahead in the learning process. The lessons are apparently being learned throughout Germany, in contrast to intractable Austria, where anti-Semitism flourishes unembarrassed. In Germany, monuments are being erected on the sites of destroyed synagogues, school classes have been assigned to do research on the role of Jews in their town, survivors of concentration camps or the anti-Nazi resistance have been invited to speak at schools and local meetings.

Some exacting German moralists find suspect the very readiness of so many Germans to swallow the draught of guilt. Lothar Baier observed last year, "Guilt has become something that survivors willingly assume, because it doesn't get them down, but rather lifts them up."

While rejecting the concept of collective guilt, many young Germans tend to accept collective responsibility—the responsibility of Germany to bear the burden of Auschwitz. But the content of that responsibility is subject to endless controversy.

Until 1967 the way to make moral reparations was clear: support Israel. Now that is



Philipp Jenninger

no longer a satisfactory answer for everybody. This is one reason that the left has turned with renewed energy toward combating anti-Semitism in Germany itself. But this effort is often regarded by the small Jewish community—all with Israeli citizenship to fall back on at a moment's notice—with skepticism.

A Jewish writer commented that "these ceremonies were no more spontaneous than the original pogroms."

"Hitler's shadow": Voicing a frequent suspicion on the left, Oliver Tolmein wrote in *Die Tageszeitung* that "Jenninger's speech fits into the discourse of the right-wing historians—another step in the attempt to reconstitute German identity as a self-confident big power. That precisely the commemoration of the greatest crimes of the Germans and their state was misused for this purpose is not only especially perfidious, but shows how far the conservatives have already got out of 'Hitler's shadow.'"

It was Christian Democrat right-wing leader Alfred Dregger who in 1982 called on "all Germans to come out of the shadow of Hitler" and become "normal." The same Dregger declared in 1986 that "there must finally be an end to the view of history that

Moral optimists saw Jenninger's resignation as a step ahead in the learning process.

was forced on us by the victorious powers. Guilt lies behind us."

However unpleasant his insistence that the majority of Germans were "seduced" by Hitler and did nothing to help the Jews, Jenninger's line of argument diverged sharply from both Dregger and the right-wing historians' campaign two years ago. At that time, Ernst Nolte and others tried to relativize Auschwitz by claiming that Hitler was merely imitating Stalin's "class genocide." The historians' campaign was designed to "master the past" so Germany could move on.

Jenninger visibly set out, as a moderate Christian Democrat, to refute the right-wing line of his own party. Notably, he stressed that the "horrible truth of the Holocaust" needs to be combined with the deeper rec-

ognition that "the planning of the war in the East and annihilation of the Jews were inseparably linked to each other, that one would not have been possible without the other."

Jenninger concluded that the question of guilt is personal and individual, but that "what we must join together in opposing is the questioning of historical truth, the quibbling over the number of victims, the denial of facts." He stressed that "people until the end of time will remember Auschwitz as part of our German history."

The historians' attempt to relativize Nazi crimes, with implicit endorsement by the U.S. Embassy, was aimed at restoring a proud, patriotic attitude in Germany favorable to building up the Federal Republic as a military power ready to challenge Soviet power in Eastern Europe. However, the establishment consensus in West Germany seems to have swung decisively—at least for the moment—in favor of giving priority to trade with the Soviet Union.

Thus in the three Gorbachov years, what the establishment wants or requires from "mastery of the past" shows signs of shifting emphasis from regaining the nationalistic thrust needed to become a superpower to assuming the friendly attitudes propitious to detente—the better to exploit the only visible big future market for German capitalism.

East German shift: The day before Jenninger's mishap, the East German parliament held a special session with Heinz Galinski and Siegmund Rotstein, chairman of the West and East German communities respectively, to commemorate *Kristallnacht*. Although there are only 190 practicing Jews left in East Berlin, the government has decided to rebuild the historic Oranienburger Strasse Synagogue. For the first time, the German Democratic Republic has agreed to pay compensation to Jewish victims, as the Federal Republic has done for years. This is a shift from the GDR's traditional claim to represent "anti-fascist Germany," and thus to have no apologies to make to anybody.

The anti-fascist resistance has long been exaggerated in the East and neglected, even denied, in the West. This budding rapprochement might help even things out. In the West the young postwar left tends to identify with the anti-Nazi resistance, which makes it easier to face the past.

Conformist conservatives are still far from being able to adopt that viewpoint. Jenninger approached his speech with the analysis and political culture of a conformist conservative, not a Marxist intellectual. He made do with what he had. He had the nerve to read publicly Heinrich Himmler's hair-raising October 1943 speech exhorting SS officers to massacre Jews. With rare candor, Jenninger spoke to and for "the silent majority," those who have not and perhaps never will assimilate a sophisticated political analysis, but who can be shocked. He concluded with a well-meaning call for "a new moral tradition that must show the human and moral sensibility of our society" by contributing to East-West peace, survival of the Third World and tolerance of all races, creeds and religions.

After his humiliation, Jenninger's moral message is unlikely to carry much weight against the right-wing Christian Democrats currently working up a campaign against immigrants from places like Turkey and Sri Lanka who threaten to "mix the races on German soil."

Whopper

Continued from page 7

greater than in previous postwar slumps, because of the very heavy volume of debt incurred by corporations and households in the '80s. For the corporate sector, interest charges now amount to almost 25 percent of cash flow, and they must be paid before funds are used for anything else. Only during

the recessions of 1974-75 and 1981-82 was a 25-percent ratio reached in the past—and the U.S. is not currently in a recession. In fact, the current expansion is the first since 1948 during which the business bankruptcy rate has increased.

Furthermore, with the Reagan budget deficits still casting a pall over financial markets, George Bush will not be able to cut taxes to combat the next recession. This

means that the most effective, time-proven method for stopping a recession—substantial tax cuts—will not be available.

Of course a recession will itself produce much bigger federal deficits, which are the result of shrinking tax revenues and rising government outlays for unemployment and other support programs needed during hard times. But in the new world of Reaganomics, the deficits will leave the nation in a worst-

case scenario. They will be large enough to alarm financial markets, but too small to keep the recession short-lived. And the longer the recession, the greater the probability of a crack in a financial system loaded with ailing banks and deeply indebted companies.

However things turn out, this underlying political fact must be kept in focus: the decline of the American empire is accelerating. That decline really started with Vietnam and the end of the "key currency" status of the dollar after the devaluation of December 1971. It entered a more acute phase with Reaganomics, which ushered in wholesale tax cuts and huge increases in military spending, along with high interest rates. The package was an attempt to redistribute income to the rich and re-establish strategic military superiority over the Soviet Union. The result, in the world of the '80s, was the mortgaging of the nation's future as Reagan & Co. overreached their economic capacity.

In the 19th century the U.S. borrowed from Europeans to build canals, railroads and manufacturing plants that increased U.S. wealth and income more than enough to pay the interest and amortization charges. In the '80s the U.S. took on foreign debt not to increase its stock of productive capital but to finance upscale consumption and military spending.

Now the taxes not paid and the goods not exported must be made good, and the bottom 80 percent of the income scale—which failed to benefit at all from the Reagan expansion—will be called upon to bear the brunt of a necessary "economic readjustment."

Richard B. Du Boff is a professor of economics at Bryn Mawr College.

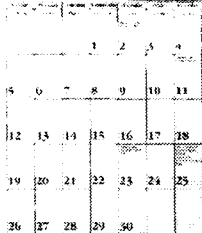
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By Doug Smith

WINNIPEG

FOR A FEW WEEKS DURING CANADA'S RECENT election campaign it looked as if voters would deny Brian Mulroney's Conservative Party the majority it needed to implement its negotiated trade agreement with the U.S. Liberal Party leader John Turner had surprised all observers by transforming himself into a credible voice for Canadian nationalism—something he had spent much of his political and corporate career kicking in the shins—and was running neck-and-neck with Mulroney. The thinking was that Turner would win big in Ontario's industrial heartland, and the social democratic New Democratic Party (NDP) would do well in the West, creating a minority government situation (see *In These Times*, Nov. 16).

It was a scenario that the Canadian business community took very seriously, because it has salivated over the trade agreement for a long time. The agreement, which goes far beyond the usual trade question of tariffs, is at its heart a surrender of economic decision-making to the marketplace. Canadian corporations that grew up protected from competition with the U.S. are more worried about protecting themselves from future Canadian government intervention in the economy than from American competition. The issue is further clouded by the fact that foreign investors control much of Canadian industry.

Dollar power: So as the Liberals started going up in the polls, the business community got antsy. The dollar began to drop, the market went flat and money began to talk. Beginning November 1, Canada's business elite played an unprecedented role in national politics. Business did not believe it could trust the Conservatives to properly defend the agreement—indeed for much of the campaign the Conservatives had downplayed its significance. But sparked by a grass-roots campaign led by a variety of anti-free trade organizations and Turner's performance in a televised debate, free trade quickly became the campaign's central issue. Canadians worried that it represented a threat to the country's political sovereignty and social programs.

Business coalitions quickly sprinkled newspapers with ads and leaflets promising straight talk on the trade agreement. They stressed the business community's commitment to expanding and enhancing social programs, ignoring the fact that traditionally Canadian business has expanded and enhanced social programs in much the same way that the Soviet constitution expands and

A victory for free trade; a loss for social programs



Prime Minister Brian Mulroney

enhances human rights. The Canadian Chamber of Commerce urged its members to hold staff meetings where the benefits of free trade could be explained to a captive audience.

A parallel scare campaign was run by business and the Conservatives. According to Mulroney, rejecting the trade agreement would put two million jobs at risk. And it would also shatter that most fragile of commodities—business confidence. Business historian Michael Bliss publicly warned that it would "be very difficult to govern Canada,

After the Conservative Party's win, the business community is setting the national agenda.

to govern a country whose wealth producers [sic] have had a real jolt to their confidence."

Thomas d'Aquino, the head of the blue-ribbon Business Council on National Issues—which is comprised of the top 150 Canadian corporations, 40 percent of which are foreign-owned—rejected charges that business was trying to buy the result it wanted.

Asked d'Aquino, "What's the choice? Does business simply sit on its hands and say, 'Oh my, we're into an election campaign,' or do we stand up and say what we think?"

The business community's hefty advertising budget ensured that its message came

CANADA

through loud and clear in the campaign's final weeks. In contrast, the anti-free trade forces, with their much more limited resources, were shut out as the campaign wound to a close. Rick Salutin, a writer who played a key role in developing the anti-free trade campaign, said, "Our major strategic error was not having access to \$40 million."

When the votes were counted on November 21 the Conservatives were returned to power with a reduced majority, but a majority nonetheless. And while a majority of Canadians had voted for parties that opposed free trade, Mulroney announced that his new government's first order of business would be the ratification of the trade agreement.

Sharing responsibility: The Liberals and the NDP must shoulder some responsibility for the election's outcome. For the past four years the Liberals have been seriously divided on both the trade issue and Turner's leadership. Even into the campaign's second week rumors circulated that senior party officials were trying to force his resignation. The party's internal disarray, and Turner's

lack of credibility as an opponent of big business—he has served on the boards of directors of more than a dozen of the nation's largest corporations—blunted the party's appeal.

The NDP, on the other hand, seemed more interested in becoming the country's official opposition party than in defeating the Conservatives, or even reducing them to a minority. As a result, the party downplayed the trade issue, focusing instead on the perceived popularity of NDP leader Ed Broadbent.

Thus many party strategists were dismayed when the trade issue emerged as the key question in the election since they believed the party was better positioned to fight an election on leadership. No one appeared to be asking how things could have evolved to the point where the left would prefer an election on a vacuous question like leadership over an issue like the surrender of the Canadian economy to the U.S. market. When the votes were finally tallied, the party failed to win any seats in the province of Quebec. And while it won 13 more seats nationwide than it did in the 1984 election, its share of the popular vote increased only slightly, up two points to 20 percent.

Meanwhile, the business community is busy setting the national agenda. The day after the election, officials of the Chamber of Commerce and the Business Council on National Issues called on Mulroney to make deficit reduction his government's No. 1 priority. This could be accomplished without a cut in social programs, because the federal government is currently toying with the idea of a massive, hidden and retrogressive increase in the national sales tax.

Doug Smith is a Winnipeg-based journalist and broadcaster.

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The importance of being earnest



Palestine Liberation Organization Chairman Yassir Arafat addresses the Palestine National Council in Algiers.

By Walter Ruby

ALGIERS

THE 19TH PALESTINE NATIONAL COUNCIL (PNC) held here last month managed simultaneously to be the long-awaited moment of transcendence for the Palestine Liberation Organization (PLO) and a reassertion of the maddening ambiguity and indecisiveness for which the organization has been known for much of its 24-year history.

A strange duality ran through the four-day "Parliament of the Palestinian People," the PLO's most important legislative body. On one hand, the PLO leadership seemed to understand intellectually that politics demanded that it come close to meeting the U.S. demands—a forswearing of terrorism and "armed struggle"; recognition of Israel; and unequivocal acceptance of U.N. Security Council Resolution 242, which calls for Israeli withdrawal from the Occupied Territories in exchange for Arabs' acceptance of the right of all states in the region to live in peace within secure boundaries. But on the other hand, PLO leaders found it emotionally too great a strain to make explicit what was implicit, and openly surrender their dream of a return to all of pre-1948 Palestine. In the end, the PNC fell short of formal recognition of 242 but it did make significant steps forward in moderating earlier PNC stipulations. The PNC also issued a declaration of independence for a "State of Palestine."

The PNC's duality was evident in PLO leader Yassir Arafat's opening speech when he promised to carry "an olive branch in one hand and a machine gun in the other." It was also evident in a passage in the final PNC political statement, which rejected "terrorism in all its forms," but affirmed "the right of peoples to resist foreign occupation and

colonialism and racial discrimination and their right to struggle for independence."

The duality was demonstrated most graphically by Khaled el-Hassan, the PLO's powerful chief of ideology, whom *In These Times* interviewed at the end of the conference. Hassan bitterly denounced Zionists as "draculas" who suck the blood of Palestinians, but stated emphatically that the PLO is ready to accept a West Bank and Gaza state because "we have come to the understanding that we are not strong enough to drive three-and-a-half million Jews out of Palestine."

A new era: By proclaiming the State of Palestine with an undeniably compelling declaration of independence that evoked images of Philadelphia in 1776 and Tel Aviv in 1948, the PNC transformed the parameters of the Israeli-Palestinian conflict in ways that are only beginning to be defined.

Certainly the declaration of independence, which resonated with the vision of a free and democratic Palestinian state at peace with its neighbors, effectively sets siege to what the PLO calls "the mind of official Israel, which has sought to deny the possibility of any consummation of Palestinian statehood."

But after trotting out high-level spokesmen to inform the world media that it was prepared to render Israel's diplomatic defenses almost untenable by fully and unequivocally embracing Resolution 242 and by largely forswearing terrorism, the PLO pulled back. By doing so it strengthened, at least for the time being, the hand of those in Israel who argued somewhat disingenuously that the sum product of the PNC represented "nothing new."

Some mainstream PLO leaders suggested that the last-minute retreat from a full embrace of 242 represented necessary semantic

concessions to the hard-liners within the PNC who might otherwise have walked out and fractured the tenuous unity of the movement.

But the suspicion existed among many of the international journalists covering the conference that they had been the victims of a highly sophisticated disinformation campaign. Those suspicions were heightened when, despite repeated promises to the contrary, the PLO failed to provide a French or English text of the long-awaited political document in which the breathlessly heralded policy changes on 242 and terrorism were to be spelled out. Even the Arabic text of the political statement was held back until the morning after the declaration of independence—long after stories had been dispatched around the world announcing the PLO's imminent acceptance of the U.S. conditions for negotiations. When translations of the Arabic text began filtering down to

The flap over the PLO's seemingly disingenuous tactics masked the Palestine National Council's great forward progress.

the non-Arabic media the following day, many of the Western reporters were confronted with the unpleasant reality that they had a good deal of egg on their faces.

Nonetheless, the flap over the PLO's seemingly disingenuous tactics partially obscured the reality that the organization had taken great strides forward in modifying basic tenets of faith in ways that would have been inconceivable only a year ago.

The PLO did make a clear assertion in its political statement that it supports the convening of an international peace conference "on the basis of U.N. Security Council Resolutions 242 and 338," a resolution that calls for an international conference to undertake the implementation of 242. This was a crucial change in emphasis from the position Arafat had articulated since earlier this year that the PLO accepts 242 and 338 together with all other U.N. resolutions relevant to the Palestinian problem.

In fact, the PNC political statement retained the earlier references to "all relevant U.N. resolutions concerning the Palestinian problem," a formulation Israel and the U.S. were certain to reject since the "relevant U.N. resolutions" include General Assembly Resolution 194—passed in 1949—which affirms the right of Palestinian refugees to return to their homes in Israel, and the General Assembly's 1975 "Zionism is racism" resolution, which Israelis see as attacking the legitimacy of the basic ideological underpinnings of their state. The PNC statement also affirmed the right of the Palestinians to self-determination, and to participate in an international conference on an equal footing with other participants.

Two-state solution: But despite these significant reservations, the PNC's clear basing of a settlement with Israel on Resolution 242 means that the PLO is now on record as accepting the postulate that the final settlement of the Israeli-Palestinian conflict must be based on the principle that all states in the region—including Israel—have the right to live in peace within secure boundaries.

An even more direct signaling of the PLO's implicit acceptance of a two-state solution could be discerned in its backhanded endorsement of General Assembly Resolution 181, the 1947 partition plan resolution that was emphatically rejected by the Palestinian side at that time. The rejection precipitated Israel's war of independence.

The inclusion of this belated endorsement of 181 in the declaration of independence comes 40 years too late for most Israelis. Nevertheless, it is extremely important from the Palestinian perspective because it puts even the hardest-line PLO elements, like George Habash's Popular Front for the Liberation of Palestine (PFLP), at least implicitly on record in support of the principle of partition and a two-state solution—even though Habash quickly announced that he continues to reject 242 and recognition of Israel and to support armed struggle.

Jerome Segal, the American Jewish professor from the University of Maryland who is widely credited with being the first to urge the PLO unilaterally to declare an independent state, is concerned that the significance of the PLO's embrace of 181 is being overlooked in both Israel and the U.S.

"Let us not forget that 41 years ago the Arab world walked out of the U.N. General Assembly when the partition resolution was passed. But in the declaration of independence they point out that Resolution 181 pro-

Continued on page 22

IN THESE TIMES

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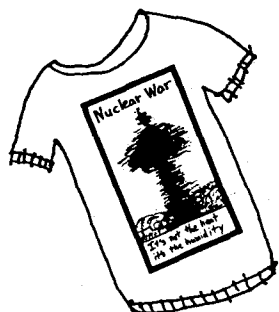
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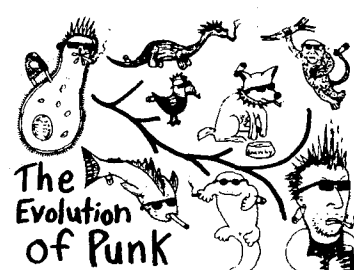
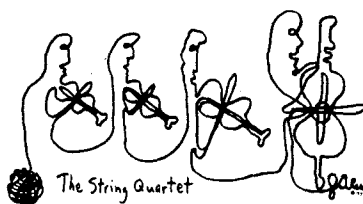
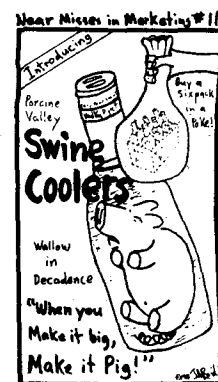
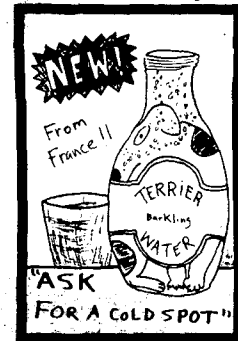
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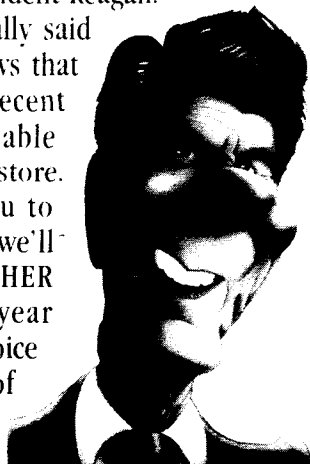


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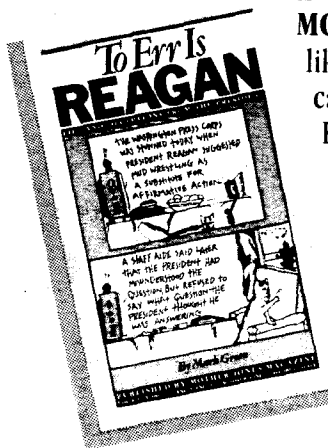
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Israel fights off latest PLO peace initiative with iron fist's one-two punch

By Joe Lockard

JERUSALEM

PALESTINIANS IN THE OCCUPIED WEST BANK and Gaza Strip met the Palestine National Council's (PNC) November 15 declaration of independence with fireworks and celebrations. In response, the Israeli army pulled out all the stops on its "iron fist" tactics.

Israel's response to the PNC's declaration is being waged on two fronts. Abroad, Israel began a diplomatic counteroffensive months ago, when Palestinian plans became apparent. At home, the Israeli government has stepped up repression in the face of escalating Palestinian protests.

Israel has declared the Palestinian declaration of independence null and void in the absence of territory and previous autonomous existence. Israeli diplomats have been actively lobbying Western nations against recognition of an independent Palestinian state.

Nonetheless, more than 50 countries—most of them in the Third World—have indicated that they will recognize an independent Palestinian state. More than 30 countries have already recognized the "State of Palestine."

Palestinian leaders said that they will seek to change their current observer status in the United Nations to permanent seating and will apply to join international organizations like the International Olympics Organizing Committee.

Domestic clampdown: Israel's domestic response eschewed diplomatic niceties: as one reserve sergeant described his operating orders in the Occupied Territories: "If the Arabs raise their heads above ground, I slam 'em!" This approach has been largely successful. The West Bank and Gaza Strip

were relatively quiet during and after the Algiers conference.

While army Chief of Staff Dan Shomron told Israelis that the end of the *intifada*—the Palestinian uprising—was near, his troops began a massive security clampdown.

Heavy reinforcements from reserve units were mobilized and dispersed throughout the Occupied Territories prior to the November 12 PNC meeting. The government deployed 1,000 extra police and soldiers in East Jerusalem alone, emphasizing the importance given to preventing demonstrations where international media could easily view the Palestinian response.

Approximately three-quarters of a million people were placed under all-day house curfew for five days. Concerned about demonstrations led by youth, the army closed all

Abroad, Israel began a diplomatic counteroffensive months ago. At home, the Israeli government has stepped up repression in the face of escalating Palestinian protests.

educational institutions and took over village schools to quarter the soldiers.

Several hundred Palestinians were arrested and imprisoned. A first wave of arrests after Israel's November 1 elections concentrated on journalists and union figures. Just before the PNC meeting, security forces staged mass roundups of local activists.

Leading Palestinian intellectuals were required to report to military government offices, where they received warnings about expressing support for the Palestinian declaration of independence. Others were not as lucky: Taha al-Mutawakel, secretary of the Palestinian Writers Union, was slapped with a six-month term of administrative detention, his second such imprisonment.

Housing demolitions: In an action timed to show a strong Israeli hand, soldiers bulldozed and dynamited some 30 West Bank houses built without a license. The enforcement was selective and demonstrative, since thousands of West Bank houses have been built without official permits, which are frequently difficult to obtain.

This was only the extension of an ongoing policy of destroying family residences as retaliation for acts of Palestinian resistance. In Gaza on November 10 soldiers dynamited nine family homes of Palestinians arrested on suspicion of anti-occupation guerrilla activities. On November 9 near Masu'a, a West Bank settlement where a Palestinian youth killed an Israeli soldier and was afterward shot dead, the army leveled the shacks of

about 70 families.

Israeli Arabs fared little better. Though condemned by government ministers for choosing a date coinciding with the PNC finale in Algiers, Israeli Arabs staged a nationwide general strike in protest over the recent demolition of unlicensed homes and government refusal to provide housing assistance as in the Jewish sector.

Israel's hard line: "The Palestinian public reacted to the declaration with joy," East Jerusalem *Al-Fajr* newspaper editor Hanna Siniora told *In These Times* the morning after the Algiers declaration. "We regard it as a re-establishment of our national identity. Today the Palestinian people have said that we wish to end the period of conflict and war, and we are extending our hand in peace."

Israeli politicians immediately rejected the significance of the Palestinian declaration of independence, along with the PLO's

acceptance of U.N. Resolutions 242 and 338. "It is only publicity, nothing more," said Prime Minister Yitzhak Shamir in a radio interview. Defense Minister Yitzhak Rabin described the PNC declaration as "meaningless." Their words precisely echo the sentiments of Israel's far-right settlers.

Siniora disputes the interpretation of Israel's leadership. "This declaration is genuine," he says. "We have accepted a two-state solution and shown our willingness to negotiate on the basis of the 1967 borders."

The PNC policy changes, Siniora concludes, "were three gifts for the *intifada*. First, independence itself; second, the assertion of Palestinian national unity in the face of an occupation; and third, a triumph for Palestinian internal democracy."

Israel was once "waiting for a telephone call" to start peace talks. Now it has hung up the phone on the Palestinians.

Joe Lockard is a Jerusalem-based journalist.

The rules of disorder in the Israeli parliament

JERUSALEM—The daily news in postelection Israel surpasses fiction. Fiction is believable.

The opening of Israel's new parliamentary season gave the country its first seizure of political surrealism when the oldest Knesset member, Yair Sprintsak, rose to preside. He delivered a rambling speech calling for expulsion of over 40 percent of the population west of the Jordan River—that is, the Palestinians.

Left-wing members at first tried to add an anti-racism clause to their oaths, in response to Sprintsak's diatribe. After this formula was rejected amid scenes of screaming and shoving, they meekly took the standard pledge.

Next, the right-controlled Knesset elected Dov Shilansky, of the Likud bloc, as its new speaker, the third highest office in the country.

Shilansky is a convicted terrorist who spent 16 months in prison for attempting to dynamite the Foreign Ministry in 1951 during German reparations negotiations. Now a lawyer, Shilansky has called for immediate public lynching of Arab criminal suspects, and he advocates the "transfer" solution. He provides parliamentary support for efforts to build a temple prophesied in Messianic sections of Judaic writing. Construction of the "Third Temple" would require demolition of the Moslem-controlled Dome of the Rock and al-Aksa mosque.

The first piece of legislation introduced was the "Who is a Jew" bill. This proposal would give the Orthodox religious establishment hegemony over defining Jewish identity, especially regarding conversions. Angry Holocaust survivors point out that the last time secular legislation was passed on this religio-cultural topic was the Nuremberg Laws in Nazi Germany.

Most of the approximately 200,000 proselytes to Judaism in the U.S. who were converted by Reform and Conservative rabbis would be deemed non-Jews by such legislation. Prime Minister Yitzhak Shamir's initial support for the bill was shaken by reports of mass outrage in Jewish communities abroad, especially from the normally quiescent and supportive mainstream Jewish organizations.

Fund-raisers suggest that the drop in

American Jewish contributions to Israel may exceed \$100 million annually. Ruth Cheshin, head of the Jerusalem Foundation, a fund that solicits private foreign contributions for Israel, estimates that 90 percent of its major donors are couples in which one partner is a convert. She predicts that the foundation, which has channeled more than \$500 million in foreign donations into municipal amenities during the last 18 years, will go out of business if the bill passes.

Shamir's position is nearly impossible. A crucial bloc of five ultraorthodox Knesset members threaten that, unless the bill is guaranteed passage, the bloc will prevent the establishment of a narrow Shamir-led coalition. This bloc is controlled by a Brooklyn-based religious figure known as the Lubavitcher Rabbi. That rabbi, Menachem Schneerson, has never visited Israel, but now dictates the shape and policy of its government.

Another right-wing bloc of Knesset members is conditioning its participation in the new government on legislation that pardons the "Jewish Underground" and other Israeli terrorists in prison for murdering Arabs. The bill also provides legal immunity for Israeli settlers who kill Palestinians in the Occupied Territories due to "security distress," effectively issuing carte blanche to Jewish settler death squads.

Faced with extremist pressures from ultraorthodox and ultranationalist parties, Shamir has been conducting semi-secret negotiations with the Labor Party in an effort to form a broad Likud-labor coalition and cut out the small parties.

Important elements within Labor, particularly the faction headed by Defense Minister Yitzhak Rabin, want to remain in political power despite the party's election defeat. This sector of Labor rationalizes its reluctance to enter the opposition by citing "a responsibility to the country" to prevent Likud-made economic and military catastrophes. Some observers, however, call Labor "the second Likud" and suggest that the pair have become natural partners in government.

Just now, the political forces churning Israel's innards are going a long way toward rehabilitating the "crazy state" theory of government.

—J.L.

PR, South African-style

JERUSALEM—Israeli officials have approvingly cited South Africa's stringent press restrictions as an effective means of civil repression. And now, *In These Times* has learned, the Israeli government is apparently getting direct advice from South African military officials on how to keep things quiet in the Occupied Territories.

According to informed sources, the military government in the Occupied Territories has hosted delegations of South African military officers who travel in civilian clothes.

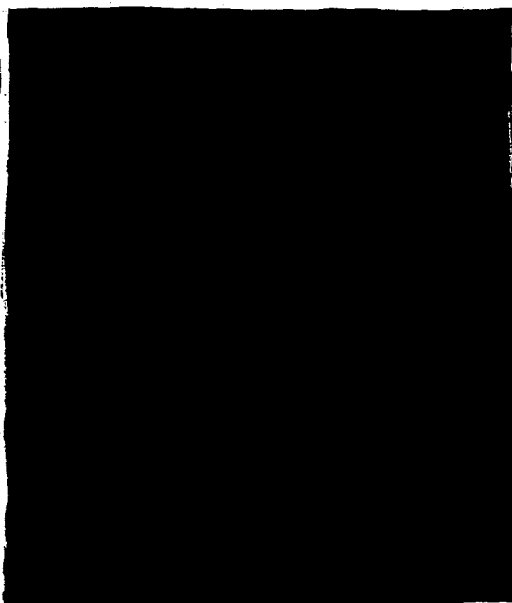
The government demonstrated South African-style media-control tactics in the territories during the Palestine National Council (PNC) meeting last month. Journalists were allowed to enter the West Bank only in convoys under military chaperon, and no coverage was allowed on the Gaza Strip. The Israeli government also prohibited the distribution of East Jerusalem Arabic-language newspapers inside the territories.

—J.L.

EDITORIAL



HELLO? ANYBODY HOME? IS THIS THE UNITED...



... NATIONS?

Universal Press Syndicate

Denying Arafat's visa exposes Reagan policy

The official State Department story is that Secretary of State George Shultz' "personal feelings about terrorism" were the deciding factor in the U.S. refusal to issue a visa to Yassir Arafat for a speech to the United Nations General Assembly. So strong were Shultz' "feelings" that they outweighed U.S. treaty obligations to the U.N., as well as the effects the decision might have on prospects for a negotiated Mideast settlement. Shultz' exquisite sensitivity on this issue of terrorism—something that has set the United States apart from the governments of virtually every nation on Earth—is touching, indeed. Or might be, if it were believable. In fact, of course, terrorism bothers Shultz only when it is practiced by those the administration considers its enemies—and then mostly when it's on a small scale. The much more systematic terrorism of the Israeli government against the population of the Occupied Territories and Israel's persistent bombings of civilians in Lebanon don't seem to bother Shultz. Nor do the systematic killings by army death squads in places like Guatemala and El Salvador. And on the rare occasions that Shultz is bothered by the terrorism of the U.S. government's friends, he prefers to combat it through "constructive engagement," as with South Africa.

Unfortunately, the truth is that the Reagan administration is committed to preventing a democratic settlement of the war between Israel and the Palestinians. When the Palestine National Council last month presented the State Department an opportunity to get what the U.S. has been demanding all along (see story on page 12), the department had two choices—to accept the PLO's move toward an equitable peace in the Mideast or to reveal the administration's preference for continued war and tension.

In choosing the latter, Shultz has not only exposed his cards, he has also made a move to lock the incoming Bush administration into the Reagan position. And Bush, in typical fashion, has vacillated. First he tried to distance himself by saying that he had not been consulted before Shultz spoke—out of the loop again. Then he said that as a loyal member of the administration he of course supported its decision.

Having thrown every possible obstacle in the path of a peaceful end to hostilities in the Mideast, the administration has for the moment managed to frustrate Palestinian attempts to end the war on the basis of universally accepted principles. But in so doing it has also isolated itself—and our nation—from the rest of the world, as last week's 151-2 censure vote in the U.N. General Assembly indicated. But this latest expression of hostility to a Mideast peace is as detrimental to Americans as to the rest of the world. Now that they've heard from the rest of the world, it's time for the administration—and the Bush team—to hear from the American people and their representatives in Congress.

You don't have to be a socialist to decry Reagan policies

In an unprecedentedly frank series of reports, the chief of the non-partisan Government Accounting Office (GAO) told President-elect George Bush two weeks ago that the government must immediately confront many domestic problems ignored by the Reagan administration and that the costs would be staggering. Comptroller-General Charles A. Bowsher called for more regulation of industries and activities deregulated during the Reagan years, warned of a crisis in rental housing for low-income people and charged that the administration has allowed public lands to be misused by special interests and has failed to enforce federal regulations on hazardous waste. In addition, Bowsher said that hundreds of billions of dollars would be needed to make the nation's nuclear weapons plants safe, to rescue the one-third of savings and loan associations estimated to be "insolvent or nearly so" and to clean up toxic wastes dumped by Defense Department facilities.

Taken together, the 23 reports issued by the GAO are a stinging rebuke to the outgoing administration and a dire warning to the new one that the nation has been put at risk by eight years of Republican policies. But even though the GAO reports confirm many of *In These Times'* criticisms of Reagan policies and validate our warnings about their consequences, this is neither a partisan nor an outsider's statement. Bowsher was appointed U.S. comptroller-general by President Reagan in 1981, and the normally cautious and conservative GAO is

an independent agency in the legislative branch of the government with 5,000 employees and a \$300 million budget. It is the quintessential ruling-class institution, placed outside of politics to assure its fealty and impartiality.

As such, the GAO tends to be critical of methods, rather than policies. Thus one report, calling for a re-examination of U.S. military expenditures, says that the "rising costs of our worldwide commitments, in the absence of burden-sharing by our allies, may simply be unaffordable." But several of the GAO's reports take on policy questions directly. Noting that perhaps 3 million Americans are homeless and that "most studies agree that the number is growing rapidly," the GAO calls for a halt in the loss of low-rental housing. Over the next 15 years, it warns, more than half the 1.9 million privately owned, federally subsidized housing units built with government subsidies in the '60s could be withdrawn from the market. To avoid such losses, the GAO says, the government may have to offer "very deep federal subsidies."

The GAO also criticizes the "schizophrenic position" of the Federal Home Loan Bank Board, which acts both as an advocate and regulator of thrift institutions. And it warns that relaxation of limits on the powers of banks has created a "risky hodge-podge of banking and other functions that could imperil the safety and soundness of the banking system." These situations call for a reorganization of the Home Loan Board and an expansion of the regulatory powers of the Federal Reserve Board, the GAO says.

In pointing out the corrosive impact of Reagan policies on our nation, the GAO has stepped out of its normal role. In its 67-year history, no other comptroller-general has ever offered such critical advice. But exceptional circumstances require the warnings Bowsher has issued. In many areas of our society we are on the edge of crisis, and unless there is a clear reversal of the policies of the past eight years, we may begin falling over that edge.

IN THESE TIMES

"...with liberty and justice for all"

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In These Times believes that to guarantee our life, liberty and pursuit of happiness, Americans must take greater control over our nation's basic economic and foreign policy decisions. We believe in a socialism that fulfills rather than subverts the promise of American democracy, where social needs and rationality, not corporate profit and greed, are the operative principles. Our pages are open to a wide range of views; socialist and non-socialist, liberal and conservative. Except for editorial statements appearing on the editorial page, opinions expressed in columns and in feature or news stories are those of the authors and are not necessarily those of the editors. We welcome comments and opinion pieces from our readers.

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IN THESE TIMES

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LETTERS

Burned about Bernie

THE EDITORIAL "BERNIE SANDERS PROVES IT might have been done" (ITT, Nov. 16) is opportunistic in substance and morally bankrupt. As a Socialist Party USA member who made three financial contributions to Sanders for Congress, I was dismayed—to say the least—by your editorial.

It defies logic to state that there is a place for Bernie Sanders and Willa Kenoyer in the party of Sam Nunn and John Glenn. The Democratic Party is a capitalist party. Period. After watching the way capitalist Jesse Jackson was treated by the Democratic hierarchy, what do you think awaits the left in the Democratic Party? In the same issue you have a review of Michael Harrington's autobiography. Harrington's Democratic Socialists of America have for six years tried to push the Democratic Party leftward, during which period the party has, ironically, tried to become another Republican Party. This demonstrates that the left has zero impact in the Democratic Party.

The left's problem is sectarianism. What is needed is unity among the non-Marxist left, not the left being absorbed by the Democratic Party. As for the perceptions of "the vast majority of politically active women, workers and members of minorities," the Democratic Party has throughout this decade been attempting to marginalize them to appease the "Reagan Democrats."

As the Democratic Party drifts rightward, it represents neither the rich nor the working class. Why should the left board a sinking ship?

Eric Knapp
Pocomoke City, Md.

Left out

I AGREE WHOLEHEARTEDLY WITH THE STATEMENT in the first editorial of *In These Times*, which was reprinted in your twelfth anniversary issue (ITT, Nov. 9): "We favor multiparty politics in capitalist America and in a socialist America."

Yet you criticized Bernie Sanders in the next issue (ITT, Nov. 16) for not running as a Democrat. Bernie Sanders was the only candidate I sent money to this year, and I was extremely angered to read that Democrats actually encouraged Vermonters to vote for the GOP congressional candidate when it became apparent that the Democratic candidate had no chance. Bernie had made it plain he wanted no part of a party that worships the likes of Lloyd Bentsen. I thought *In These Times* would have respected and encouraged Bernie's independent run for Congress.

I was equally upset by the editor's reply to Joseph Zumbo (Letters, Nov. 23). Granted, the Socialist Workers Party and the Workers World Party are nothing but leftist sectarianism at its worst. But the Socialist Party USA is, in my opinion, the best political activity on the left. It is based on the Eugene Debs tradition of democratic socialism and favors a decentralized socialism that gives ownership and control to the people as a whole and is strongly libertarian on civil liberties.

To characterize the Socialist Party USA as "sect politics engaged in token rituals" marks a betrayal of your original editorial. Unless the Democratic Party faces pres-

sures from a politically organized left, it will become a carbon copy of the GOP with a conservative like Sam Nunn or Charles Robb as its presidential nominee in 1992.

Richard Clark
Salem, Ind.

Dem Yankees

A STONISHING! THAT'S HOW I REGARD IN *THESE Times*' editorial evaluation of Bernie Sanders' independent campaign for Congress (ITT, Nov. 16).

The handwriting is on the wall, but you're so blinded by your loyalty to the Democratic Party that you can't read it. Sanders ran a very close second—missing election by three percentage points—and the liberal, so-called progressive Democrat became the spoiler.

Sanders' campaign was uncontaminated—as it could not have been if he ran as a Democrat—by the fallout from the capitalist parties' nuclear priorities. Recent revelations of large-scale poisonings of people at the sites of weapons plants over decades of Democratic and Republican administrations will surely bring together environmentalist, anti-nuclear, peace and justice forces, and perhaps some of those mainstream Americans whose health and families have been destroyed by our war-criminal "leaders." Perhaps you would prefer that this outpouring of rage be rechanneled back to the two war parties?

Furthermore, the insulting treatment given to Jesse Jackson throughout the Democratic campaign—marginalizing him while hoping his presence at the back of the campaign bus would register new voters—miserably backfired. More than 50 percent of registered voters ignored you and the Democrats' command for "unity," finding nothing in their interest to vote for.

In a generally rather bleak election, Vermont almost delivered. *In These Times* did not.

Regina McNulty
Solidarity—Detroit branch
Oak Park, Mich.

Editor's note: It's good to receive these letters and to begin airing questions about the left's current relationship with the Democratic Party, but the letters themselves are depressing. Eric Knapp says there is no place for Bernie Sanders in the Democratic Party of Sam Nunn and John Glenn. Is there also no room for Rep. Ron Dellums (D-CA) or for Rep. John Conyers (D-MI) or for New York City Councilmember Ruth Messinger, etc.? It is, of course, true that these left politicians and many others engaged in the Democratic Party must make compromises, but would Knapp suggest

that anyone engaged in the real world of politics does not have to make compromises? If so, he should examine Sanders' record as mayor of Burlington. In fact, there are many moralistic leftists in Burlington who think Sanders has sold out.

It is true that the Democratic Socialists of America (DSA) has spent six years trying—with little success—to influence the Democratic Party. But then the Socialist Labor Party has spent more than 100 years trying to influence the electorate, the Socialist Party (SP) has spent 87 years and the Socialist Workers Party (SWP) has spent 50 years. And, in any case, DSA has unfortunately never attempted to run its people for public office. In this respect, Sanders is to be greatly admired, while DSA is not.

Richard Clark agrees with our characterization of some of the socialist sects, but not of the Socialist Party (actually, we mentioned no parties). But we were not discussing what each of these parties favors abstractly. In that respect we are much closer to the Socialist Party than the SWP or Workers World. The issue we raised was one of politics, as that term is generally understood. The Socialist Party has been running its token candidates ever since the demise of the old Socialist Party of Eugene Debs in the '20s. It has no serious approach to electing anyone anywhere. It is not really concerned with participating in the legislative process of city, state or nation. Like Sanders, it is committed to tokenism, though for a more palatable token than some others. As for us, our criticism of this approach in no way contradicts our editorial. We favor a socialist America, not a perpetual activity in the name of socialism that goes nowhere. To achieve a socialist America a movement must include a majority of the population and must be engaged in the arena of real politics in the way that the vast majority of Americans understand politics. We must, in short, learn from the people, rather than continue indefinitely and fecklessly to try to force them into our preconceived mold.

Regina McNulty seems to think that there was something that Bernie Sanders said, or called for, running as an independent that he could not have said, or called for, running as a Democrat. Either that, or she subscribes to the bacterial theory of politics, whereby one is contaminated by physical or nominal proximity.

In fact, all three of these letters seem to us to be based on a common misunderstanding of the nature of the Democratic Party, and of the American political system in general. The Democratic and Republican parties are not parties of the European or traditional socialist type. They are quasi-

state institutions, legally open to anyone who bothers to register in them. Anyone can run for office within these parties simply by filing nominating petitions. Major-party candidates can stand for anything they wish. And then they must contend for the public's votes. Sectarians will answer, of course, that this puts the left at a disadvantage because the left has no money or organization, and that therefore participation in Democratic Party politics is hopeless. But while the first part is true, it is no more hopeless than participating in independent or third-party campaigns, which require even more money and organization—and define one as outside of real politics in the minds of most Americans.

True, the leaders of the Democratic Party have tried to marginalize the left to appease the Reagan Democrats. In our opinion, that's why Michael Dukakis lost the election. But despite the efforts to suppress the left, the Jackson forces won 7 million votes—a good deal more than all of the third-party groups put together—and began to challenge the leadership. As Jesse Jackson has said many times, this is a long-term process. It is a struggle to elect leftists to as many party and government offices as possible, so that a real challenge can be made on the direction of the Democratic Party. In our view, seeing the Democratic Party the way one sees the multitude of left and right sects is itself sectarian. It may make sense to choose the SWP over the SP, or vice versa, on the basis of the principles espoused by the leaders of one or the other of these parties, but it makes no sense to talk about the Democratic Party as if its principles are determined by Sam Nunn or Michael Dukakis. Unlike the sects, the Democratic Party is an institution in which the American people can still intervene. What's needed is the will to enter that struggle.

Correction:

In "Network Failure: (*In These Times* Nov. 16), the production budget figures for the newly created Independent Program Service were incorrect. The actual budget is \$6 million, plus promotion costs that some estimate at \$2 million. \$3.8 million for minority programming was allocated separately from the IPS (although its increased amount was, like IPS, a result of independent producers' pressure).

Editor's note: Please try to keep letters under 250 words in length. Otherwise we may have to make drastic cuts, which may change what you want to say. Also, if possible, please type and double-space letters—or at least write clearly and with wide margins.

SYLVIA



by Nicole Hollander

The Making of Europe, Inc.

The boundaries of nation-states are continually pushed and prodded by the economic forces that capitalism unleashes. Today a centralizing logic is pressing the major states of Western Europe to give up their separate identities. The 12-nation European Community (EC)—composed of West Germany, France, Italy, Britain, Spain, Denmark, Belgium, Netherlands, Luxembourg, Greece, Portugal and Ireland—has plans to create a Single European Market (SEM) by 1992. The plan is supposed to thrust Europe into a position of economic parity with the U.S. and Japan and solve the stubborn problems of slow growth, high unemployment, persistent inflation and lagging technological progress.

One big market: The SEM is the crowning achievement of the 1957 Treaty of Rome. The treaty, which first established the European Common Market, provided for the "abolition...of obstacles to freedom of movement for persons, services and capital." But even after the Common Market was established, European business leaders knew that the European market was anything but "common"; business on the fragmented continent was governed by tariffs and export subsidies, as well as varying labor, product and environmental regulations. Industrialists had long argued that the absence of a truly common market caused waste and inefficiency, which virtually guaranteed the EC's junior status in the global economy.

The SEM is the 1985 brainchild of Lord

EVERYBODY'S BUSINESS

By David Kotz with Ilene Grabel

Cockfield, the British vice chairman of the European Commission. In a Europe where nationalized businesses were being washed away in a tide of liberalized and deregulated markets, Cockfield compiled the White Paper, a comprehensive list of 300 legislative measures required to dismantle all trade barriers and create an EC market genuinely lacking internal frontiers. At present the EC has agreed to implement 84 of the White Paper's directives by 1992 and is considering 100 others.

Business leaders across the EC are eagerly awaiting the rewards of 1992: with 320 million consumers, the SEM will be one of the world's largest markets (the U.S. and Japan, respectively, have 250 million and 120 million domestic consumers). EC producers are hopeful that the reduced costs of producing for a single, unregulated home market will boost profits and enable them to compete with giant U.S. and Japanese companies.

The EC's economic integration is sure to create a veritable playground for pan-European capital. In anticipation of operations in this freewheeling environment, EC capital has been jettisoning unprofitable operations and engaging in a frenzied wave of mergers, acquisitions and joint ventures, as firms attempt to position themselves to take off running in 1992. Observing the European scene, a recent *Business Week* article coined the phrase "takeover turbo," in describing the \$20 billion of mergers and acquisitions in the first six months of 1988. This concentration of European capital will

make life increasingly difficult for the many small, local, family-owned firms in the EC countries.

The benefits of SEM may not be distributed equally among the businesses of the 12 EC countries. Corporations based in West Germany, France and Britain may gain even greater dominance than they have at present within the smaller, poorer countries of the EC.

Financial union: The 1992 plan provides not only for the unrestricted movement of goods, labor and industrial capital, but also for the free movement of financial capital (i.e., money flows). On June 13 of this year, the EC adopted what is perhaps the most controversial and problematic component of the SEM plan: the decision to completely liberalize financial markets. This will allow EC residents to open savings accounts and make other financial transactions in the financial institutions of any member country.

The creation of a unified financial market will mean that differences in economic conditions or state policies among EC countries can lead to large, destabilizing capital flows across borders. For example, suppose that higher tax rates on property income made France a less desirable place than elsewhere for capitalists to invest or lend money. In a unified Europe with no barriers to capital movement, the consequence would be capital flight from France to other EC countries having lower tax rates on property income.

Such capital flight raises interest rates, which would tend to depress the French economy. The French government would be put under pressure to change the tax policy that had caused the capital flight. Furthermore, the countries receiving the capital inflow from France would experience a growing money supply and declining interest rates, which could be inflationary.

The problem is that the SEM will create a unitary financial market, but one composed of a dozen nations with a dozen national currencies and a dozen central banks. The instability inherent in such an arrangement has led some, including French President François Mitterrand and West German Chancellor Helmut Kohl, to propose a common EC currency and central bank. Britain's Prime Minister Margaret Thatcher has resisted, pointing out that such moves would eliminate home governments' ability to implement stabilization policies.

This clearly poses the conundrum of economic integration: whatever benefits can be gained must come at the price of giving up some national sovereignty. Each step toward integration creates greater pressure to eliminate national differences. The individual European countries may lose control over monetary and other economic policies within their national boundaries.

The EC's trading partners—the U.S., Japan and other non-EC countries—are worried that the internal barriers discarded under the 1992 plan will be replaced by external barriers, creating what the U.S. business press has termed a "Fortress Europe." The fear is that 1992 may mean more, not less, protectionism as barriers are erected to protect the nascent industries of the new SEM. Non-EC producers are also less than enthused at the prospect of competing with larger, better-protected

and more innovative European competitors.

To avoid being left off the SEM gravy train, the EC's trading partners have stepped up the pace of their own mergers and acquisitions, in order to guarantee a steady foothold inside the EC prior to the erection of tariff walls. For example, in the last six months Swedish companies have entered into \$6 billion in deals to acquire EC companies or Scandinavian companies with EC units.

Companies will well-entrenched EC operations are optimistic that they will be able to garner a sizeable share of 1992's benefits. In May of 1988, Coca-Cola, Gillette and Dow Chemical Co. released reports finding that producing for an unregulated pan-European market would drastically reduce advertising, transport and packaging costs. Dow Chemical, with European sales of \$5 billion last year, estimates that the 1992 program will slash costs by \$50 million a year.

The fate of labor under Pan-Europa: It is quite clear that the 1992 plan will be detrimental to the immediate interests and livelihoods of European workers. Under the plan, capital is "freed" from the constraints of operating within national borders and government regulations. Segments of the labor force, at the same time, are likely to be "liberated" from their jobs.

By all accounts the integration of European markets will mean more cross-national mergers and acquisitions. As in the U.S., mergers can be expected to lead to consolidation of some operations and closing of others, throwing many workers out of work. This process is already taking place as European firms merge to prepare for the SEM: Peugeot plans to cut 4,000 jobs and Philips announced cuts of up to 20,000 employees after such mergers.

Threats of plant relocation to lower-wage areas in the EC may become more common after 1992. Recently Volkswagen hinted that it may want to relocate to reduce its reported \$31 per hour labor costs in Germany. This is nearly double Fiat's labor costs in Italy of \$17.50 an hour. Such tactics could make it difficult for the labor movements in higher-wage EC countries to protect the wages and benefits they have gained over the years, tending to drive them down toward what prevails in the lowest-wage countries.

Indeed, the EC countries' trade union movements may find that integration of capital will force them to move toward integration of their own. This will be no easy task. But they may be left with no other choice.

European integration may ultimately have some positive effects on the chances for transition to socialism. The various Western European efforts to move toward socialism, such as took place in Britain right after World War II and in France in the early '80s, foundered partly due to international economic pressures. It is very difficult for a country other than an economic superpower to resist the pressures of the world capitalist market. The socialist-led labor movements of Western Europe may find that an economically unified Europe provides a better opportunity to move toward socialism than does the currently fragmented state setup.

Ilene Grabel—who co-wrote this column with its regular author, **David M. Kotz**—is a graduate student in economics at the University of Massachusetts at Amherst.

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TV and the Palestinians

How did the U.S. press cope with the declaration of Palestinian sovereignty in Algiers in mid-November, and its simultaneous recognition of Israel, on the basis of U.N. Resolutions 181, 242 and 338? It's an important question, since any progress toward a settlement will depend in part on U.S. pressure on Israel. Whether or not such pressure will be exerted will in turn depend on public sentiment here, and thus the way the press deals with the evolution of the Palestinian position, and on what responsibility Israel has in coming to terms with the new situation.

In fact, the U.S. press did better than one might have expected in describing what happened in the Palestine National Council (PNC) meeting (see pages 12 and 13), but as miserably as one might have feared in failing to press the Israelis to say how they would respond.

One of the most articulate Palestinian spokesmen in the U.S. is Edward Said, a professor of English at Columbia University and a council member. Looking back on the meeting and its aftermath, he remarked to me last week, "In Algiers the European, Latin American, Canadian and Third World journalists were all interested by our steps and many of them very moved by the ceremony of the declaration of sovereignty. Then I began to make my way back to the U.S. In Europe there were long articles, generally supportive. I was on *MacNeill/Lehrer* from Europe, and I must say it was an intelligent and probing show.

"But before long I was being put on with people like Jeane Kirkpatrick and George Will and the Israeli ambassador and being asked to disprove the proposition that 'we had done nothing.' There were incredible articles and columns in the *New York Times* saying nothing had changed, and I could see, day after day, how much the U.S. press had internalized the Israeli position. For example, it was very rare for me to be asked how actually were the decisions of the council in Algiers different. The answer is, of course, that for the first time the notion of partition was cited, in terms of U.N. Resolution 181, which was taken as the legitimization of the Palestinian state.

"No one asked the Israelis basic questions, such as 'Who do you propose to negotiate with? What about 242? What about a conference? What are your declared boundaries?' People kept asking us about violence and whether we had renounced it, at a moment when 650,000 on the West Bank and Gaza had been under 24-hour curfew for a week. No one asked the Israelis about simultaneity, in proceeding toward a settlement."

Network coverage of the Palestine National Council's announcement from Algiers was generally better than that of the print media. Based on what he's seen himself and what he's heard from other people, James Zogby of the Arab American Institute gave the networks fairly high marks. Faris Bouhafa, director of press relations for the American-Arab Anti-Discrimination Committee (ADC) agreed that network coverage had been reasonably good. I have the transcripts from both editions of *Nightline*, and ABC, NBC and CBS nightly news from Tuesday, November 15, in front of me.

CBS: Their coverage was by far the worst. And their man Tom Fenton spent the short-

test time in Algiers. Wyatt Andrews was in Washington, and he said that most "experts" give him [Arafat] credit for a skillful piece of maneuvering that makes the PLO look more moderate, but which stops short of actually recognizing Israel."

The only "expert" brought on to support this opinion was the vile Fouad Ajami of Johns Hopkins University, who wagered that "Arafat is really here trying to drive a wedge in this Israeli-American relation."

NBC: Much better here. Tom Brokaw prefaced the announcement by saying that a "state of war has existed between Israel and the Palestinians for 40 years now," but that "tonight there does appear to be a historic, political change in that relationship—on one side, at least."

He mentioned the declaration of an independent state and then added that "at almost the same time, a majority of those Palestinian leaders voted to recognize Israel as a legitimate state after all these years." No hedging here on what the Algiers decision "really" meant.

Martin Fletcher then came on from the Gaza Strip, where he filed a report on the Israeli crackdown in the Occupied Territories. He also reported that Israeli Prime Minister Yitzhak Shamir had been asked to form the next government, after he won the support of the Orthodox parties. And, said Fletcher, "It looks as if Shamir will form a coalition, with one paramount aim: to hold on to the Occupied Territories, regardless of what the PLO says in Algiers."

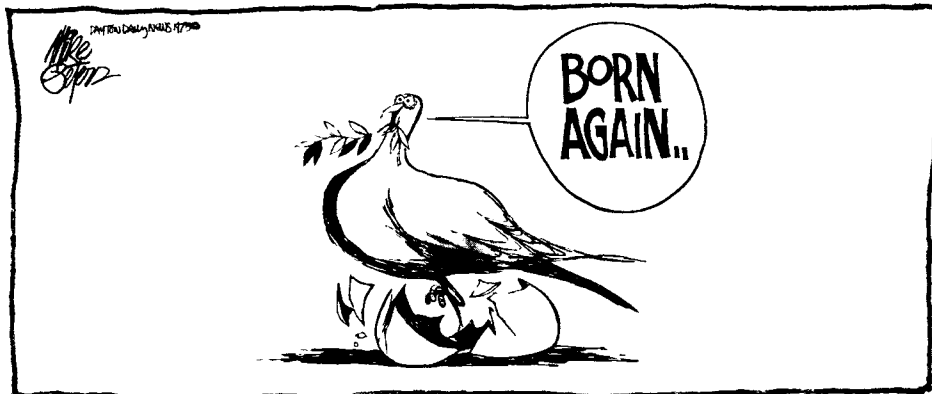
ABC: Surprisingly, the PLO's announcement was not the lead story (perhaps because of the previous night's coverage on *Nightline*). They first did a segment on the not-yet-confirmed naming of New Hampshire Gov. John Sununu as President-elect George Bush's chief of staff. Peter Jennings started the report on Algiers by calling it an "unprecedented 24 hours in the Middle East," before saying that the PNC had "formally recognized Israel's right to exist for the first time."

Dean Reynolds then reported on "the most extensive military crackdown in two decades" in the Occupied Territories. Later, Shimon Peres, the recently defeated Israeli "moderate," came on to say, "They're [the PLO] engaged in an evasive sort of resolutions, which in real terms are meaningless." Shortly afterward, Jennings remarked that the "Israeli reaction comes as no surprise to Palestinians, but the PLO leadership says that declaring the state and renouncing terrorism is part of an attempt to build international support as well."

Nightline: Monday: No mincing of words here. James Walker, who was substituting for Ted Koppel, came on and said, "History was made tonight when the Palestinian parliament-in-exile formerly declared an inde-

ASHES & DIAMONDS

By Alexander Cockburn



pendent Palestinian state, renounced terrorism and recognized Israel's right to exist." The essence of those remarks was reaffirmed by Barrie Dunsmore, who was in Algiers. He said that "for the first time, the highest level of the Palestinian leadership accepts the concept of two states in Palestine...both of which could exist—coexist—in peace. Edward Said was then called on, and was given the first word, the last word and plenty of time in the middle. He was opposed by the rabid Kirkpatrick ("What I've read so far doesn't say anything very new") and Israeli Ambassador to the U.S. Moshe Arad ("Unfortunately, I cannot share the view that we have a breakthrough here"), but Said handled the two of them well.

Tuesday: Koppel was back and opened by saying, "For years, the U.S. has refused to deal with the PLO, insisting that it first renounce the use of terrorism, and recognize the right of Israel to exist. Now it's done both these things." Later, though, he remarked, "Still, what happened in Al-

giers...is widely regarded as a victory for moderate Palestinians, and a potential step in the direction of peace negotiations." Charles Glass came on to say that the PLO does appear to have met all the American conditions.

Bassam Abu Sharif, Arafat's adviser, was given the final word and said, "We're serious. We really want peace in the Middle East and we're ready to negotiate. We're ready to sit down right now with Shamir and Sharon and the rest of them, if they really want to have peace in the Middle East."

The Israeli viewpoint was presented by David Aaron, Carter's deputy national security adviser, who—true to Democratic tradition—told Ted he would not counsel Reagan or Bush to now negotiate with the PLO, as the "recognition is really very indirect." In fact, for Aaron, the declaration from Algiers was a step backward for peace and yet another sign of PLO perfidy. "I think that the factual problem on the ground of the Israelis and the Palestinians finding a way to ultimately live together may in fact have been hurt by this whole process. The whole idea of declaring a Palestinian state, declaring that its capital is Jerusalem, closes out a lot of options that for many years people felt might serve as transitional arrangements, or perhaps even long-term solutions to the problem of reconciling the Palestinian problem. A lot of those have been shut down now, and that's going to make negotiations harder. From the point of view of the Palestinians a Bush administration is no bad thing. Michael Dukakis would not have had a Palestinian, albeit a conservative one, as his chief of staff. (Sununu, normally thought of as Lebanese, is actually a Palestinian.)

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By Margaret Spillane

Poet Judy Grahn: queen of words, *Queen of Swords*

JUDY GRAHN'S POETRY IS ONE ON-going love letter—but without sighing sentimental indulgence. These love letters aren't necessarily written to those who can return the affection. Though she offers words of tenderness, loyalty and encouragement to women in general and her sister lesbians in particular, Grahn's insistent, generous love extends to include the racist, the homophobe, the vicious drunk, the child beater.

Such a broad embrace is no mush-brained fantasy of "why-can't-we-all-love-one-another," or even of Christian forgiveness: it's the gesture of someone who refuses to allow her own years of struggle, torment and humiliation to be for nothing. Grahn has forged her pain into a passionate social inquiry, which can help "to describe these dreadful phenomena accurately," she explains, "so that we can free ourselves from their consequences."

Judy Grahn's no stranger to struggle. In 1963 she was part of a 15-member picket of the White House on behalf of gay rights. Two years earlier, the 21-year-old Grahn had gone to a library in Washington, D.C., as she explains in her book *Another Mother Tongue*, "to read about homosexuals and Lesbians, to...learn who I might be, what others thought of me, who my peers were and had been. The books on such a subject, I was told by indignant, terrified librarians unable to say aloud the word homosexual, were locked away. They showed me a wire cage where the 'special' books were kept away in a jail for books."

Minority reports: Around the same time, Grahn enlisted in the army. She was given a less-than-honorable discharge when her lesbianism was discovered. The military seized all her private notes and correspondence as evidence against other such "criminals" in the service. For some time afterward, the confiscation made her fearful about the fate of anything she wrote. Moreover there was virtually nowhere to publish anything with a lesbian theme.

But then one day in 1964, while Grahn was a student at predominantly black Howard University, a professor, Nathan Hare, waved a copy of *The Ladder*, an underground lesbian magazine, before his sociology class. "You should all read this," he said, "to help you understand the problems and social position of another minority in America." Grahn reports that "sitting in the back of the room a stranger on two counts, being white and gay, I remember trembling and trying to keep from bursting into tears, for this was the first openly positive response to gay culture I had ever heard from a straight per-



POETRY

Judy Grahn has forged her pain into a passionate social inquiry.

son." From Hare, Grahn says, she learned "the sociological tool of participatory observation," an indispensable implement for an artist like Grahn: her poems seek not to make exclusive little shrines of the author's lived experience, but strive to situate those joys and sorrows squarely within the common experience.

In the late '70s Grahn published *The Work of a Common Woman: Collected Poems*, a book vivid with this insistence upon the liberating possibilities of understanding that one's individual joys and sorrows are actually shared. Grahn felt privileged to be part of a new generation of poets who "began wresting poetry from the exclusive clutches of the sons and daughters of the American upper class and returning it to the basic groups from which it seeped and sprung."

Taboo words are key: One of the ways Grahn has demonstrated how pain can be transformed to

strength is her assertion, in *Another Mother Tongue*, that the words flung as insults at gays by straight society—bulldike, fairy, faggot, pansy—in fact had very sacred connotations in antiquity. As a young lesbian, "bulldike" was especially difficult for Grahn to deal with: "The word 'bull' sounded as though we were being compared to men, and we did not like that."

But Grahn makes a compelling argument for the term's origin in the name of Boudica, a warrior queen who in 61 A.D. led a major Celtic revolt against the Roman conquest of the tribal people of Britain. Epithet by epithet, Grahn disperses the fear and hatred accumulated over time. "My little list of taboo words," she says, "turned out to be keys to knowledge."

In her most recent book of poems, *The Queen of Swords* (Beacon Press), Grahn continues her insistence on the restorative power of recognizing commonality. The wom-

en in her poem "Talkers in a Dream Doorway" live on opposite American coasts,

*"...were raised in vastly different places,
yet speak this uncanny similar tongue.
Some times we're different races,
yet our common bond and common graces,
common wounds and destinations
keep us closer than some married folks."*

In "Descent to the Roses of the Family," Grahn enters with extraordinary courage, candor and generosity the most terrifying landscape of all: the family battleground. The poem opens with a recent peaceful family holiday scene, in which the poet's elderly father, snuggled in a blanket with his children seated around him, casually drops the bomb of a hideous racist remark. In the explosion she sees family mem-

bers flung backwards "into the gall of old habits": verbal and physical violence, alcoholism, silent passive madness, homophobia, racism. It is this last element which she uses as a lens through which to scrutinize the other cruelties: all matter of self-hatred, feelings of helplessness and frustration, come together in the white mind to invest the word "nigger" with "all manner of forbidden power":

*"...nigger is the black core of action
you don't take for yourself
nigger is the intense motion
chained up in your chest
nigger is the bold center of the forbidden rose..."*

For the roses: A fainter heart than Grahn's might break from such relentless probing; but she understands that her strength comes not only from an ability to escape "the battery, the arrogance and the alcohol," but to embrace the wounded, tender beings in the family's violent history, "to find its roses."

One of the wisest and funniest poems I've ever read is the title

The essential gesture of someone who refuses to allow her own years of struggle, torment and humiliation to be for nothing.

poem, "The Queen of Swords." Based upon a 5,000-year-old Sumerian myth of Queen Inanna, who descends to the underworld looking to increase her powers, "The Queen of Swords" is written as a verse play with Inanna transformed to Helen, a yuppie with an enviable home and spouse, who takes off suddenly into the night without quite knowing why. She encounters Ereshkigal (the Sumerian goddess of the underworld, here owner of a lesbian hang-out called the Crow Bar), who with the punning, joking chorus of Crow dykes helps Helen break through the amnesia that underwrites "the great green rangy/ heaven of the american dream/ ...the convenient machines/ the lucky lawn and the possible/ picture window..."

They help her learn to risk everything to attain a personal strength more satisfying than the endless cycle of acquiring and consuming. No more a defensive, individualistic consumer gnawed by dissatisfaction, Helen moves wittily among the regulars at the Crow Bar, hoping she'll always "...remember how to dance in place/ when to witness, when to harness/ when to charge with all my forces."

Margaret Spillane writes about theater and literature for the New Haven Independent.

Mission: Impossible
ABC

By Jeff Salamon

This show will self-destruct in a few weeks—good luck, Jim

NOWADAYS IT'S A CD THAT SELF-destructs in five seconds. The sets are fashionably pastel, and the cast wear castoffs from *Miami Vice* and *The Cosby Show*. "Time marches on," intones Peter Graves and his puffed, craggy face agrees.

Yes, *Mission: Impossible* is back—and this time it's personal.

During its original run, *Mission: Impossible* was the most impersonal, inhuman show ever to grace the airwaves. Though often involved in ludicrous plot convolutions, members of the Impossible Missions Force (IMF) never cracked a joke, much less a smile. While American campuses exploded in protest against the Vietnam War from 1966 to 1972, the IMF stoically rescued dissident scientists from Eastern Europe and destabilized unfriendly Third World governments. Their sweaty nemeses—whether lecherous commissars or roly-poly, cigar-chomping Fidelistas—could ham things up with abandon. But the IMF answered to a higher authority.

Disavow any knowledge: If *Mission: Impossible*'s ideology propped up an unpopular war in Southeast Asia, its semiology resisted what conservatives dubbed the "feminization" of American culture. With their tight lips, thin ties and close-cropped hair, the IMF was a Spartan denial of the blabbering, unkempt leaders of the counterculture. Even the original cast's lone female, Barbara Bain, projected a hard, icy beauty—a beauty often used to "soften up" the IMF's stereotypical male target, which in turn made him easier to defeat and more deserving of his ruin.

Yet this stiffness wasn't necessarily intrinsic to the genre. *I Spy* and *The Avengers* cashed in on the same post-Bond spy craze, but had livelier dialogue and characters. On *Mission: Impossible*, however, the Cold War became the Cool War.

Reflecting the social upheavals of the time, the IMF included a woman and a black man, but rather than play out any sexual or racial tensions within the group, such troubles were projected upon an easily identifiable Other who was obliterated each week. This "outside agitator" thesis was particularly poignant for Barney Collier (Greg Morris), the group's sole black member. Though any minority artist working in an established, corporate outlet walks a fine line, Morris had the especially unenviable task of portraying a black man who helped the U.S. government violate Latin American sovereignty during an era of heightened black radicalism.

Unlike the now cliché black "grunt" of Vietnam movies, Barney wasn't allowed even a murmured

cynicism. While Barney's prowess as a gizmotician might have countered television's standard representation of blacks, on *I Spy*, Bill Cosby played a similarly intelligent tool of imperialism—though one capable of expressing discomfort with the role.

Pervasive paranoia: The IMF may have seemed tightly wrapped, but their neuroses leaked out all over the show. *Mission: Impossible* bristled with paranoia: Lalo Schiffrin's jittery theme music, the opening montage's burning fuse and the

TELEVISION

famous smoldering tape player. The show was so dimly lit that a sense of claustrophobia lingered even when the IMF trotted off to exotic locales. The world was their bomb shelter.

This year, *Mission: Impossible* has emerged from the long night of syndication and entered the sunny day of network revival. In part because it's shot in Australia (to save costs), the new show has a relentless outdoorsy, panoramic feel. This could be brushed off as geographical accident if everything else didn't follow suit. Dreary blazer-and-tie combinations have given way to chinos and maybe a nice turquoise sweater. Pastel and earth tone interiors are ubiquitous and the new cast is similarly bland; cleft chins and beauty marks aren't just a poor substitute for personality—they're not even visually interesting. Say what you will about the acting on the old show—at least Martin Landau, Leonard Nimoy and Peter Graves looked interesting.

Disappearing Cold War: Flirtations with sunshine and fashion, however, don't represent the total yuppification of *Mission: Impossible*. What's happened is far more telling: the show has been stripped of its Cold War ideology. In its first three episodes, the new IMF hunted down the killer of one of its members, brought down a mafioso and harassed a drug-running dictator. The reason for the change is obvious: in the past two years the Cold War has virtually disappeared as a public topic of debate.

We can track this shift in our political culture to two sources—one foreign, one domestic. Abroad, *glasnost* has transformed the Evil Empire into a fellow Empire in Decline. And at home, the embarrassment of the Iran-contra affair forced Reagan's handlers to change the terms of ideological debate. If Gorbachov hadn't come along, Howard Baker would have invented him. Iran-contra had rendered Reagan's usual



Cold War rhetoric incoherent. The most bellicose administration in memory proved itself incapable of toppling a tiny communist outpost in Central America—something the old IMF could have pulled off in a single episode.

In 1980 Reagan combined a vigorous anti-communism with a dreamy pastoralism. After Iran-contra, only the pastoralism remains. The Communist Menace and the limo-driven welfare mother, once familiar staples of Reagan rhetoric, have vir-

tually disappeared: the feared Red Dawn turned out to be an eternal morning in America. In his dwindling public appearances, Reagan the stern but kind father gave way to Reagan the dotty granddad, slipping us a twenty when the folks weren't looking.

Bush's campaign promise of a kinder, gentler nation, free of new taxes is the product of all this. According to Bush, the Democrats don't just have the wrong solutions—they're actually hallucinating prob-

lems. Why all the gloom and doom when Everybody's Happy Nowadays?

So the old IMF—a little nervous, a little jittery—has no place in today's guilt-free environment. If the old *Mission: Impossible* was, like the Texan in the White House when the show began, disagreeable but bursting with signifiers of national trauma, the new one is like the Texan about to enter the White House—blandly unpleasant but sanded clean.

This is actually *Mission: Impossible*'s second makeover. In 1973, as the show bombed in the ratings, its focus was shifted from anti-communist harassment to mafia-busting. *The Complete Directory of Prime Time Network TV Shows* says this was because the show "had begun to run out of little communist countries and obscure principalities." A more plausible explanation, however, is that a peace treaty had been signed with Vietnam, and America was tired of the whole subject.

The cast also changed; by then Barbara Bain had quit and was replaced by jigglier, more traditionally "soft" women like Linda Day George and Lesley Anne Warren. Beefcake actor Sam Elliot leapt in as well. But pecs and tits were not enough to sustain this suddenly pointless show, and it didn't return.

If there's any justice in the world, the new *Mission: Impossible* will meet a similar fate. The old *Mission: Impossible* may have been inept, but at least it *had* an ideology. Twenty years later, things have changed. Michael Dukakis, voicing his approval of the denuding of our political landscape, asked for an election that eschewed ideology for the sake of competence.

The new *Mission: Impossible*, staking out a middle ground, opts for neither.

Jeff Salamon is a New York-based writer.

THE BOX

Shootdown

Directed by Michael Pressman

"We aren't interested in doing political diatribes," an NBC vice president told the *New York Times* to explain why network censors radically reworked the made-for-TV movie *Shootdown*, which aired November 28.

Taking its name from R.W. Johnson's outstanding book on the 1983 Soviet downing of Korean Airlines Flight 007, *Shootdown* is the story of Nan Oldham (called "Nan Moore" and played by Angela Lansbury in the movie), whose son was killed on the flight. A leader in an organization of survivors' relatives, she comes to believe that the plane deliberately crossed Soviet territory on a U.S. spy mission.

If you think this is strong stuff for network TV, NBC would agree

with you. Although the network's coverage had been characterized by main-stream journalist Seymour Hersh in 1983 as "Russian-bashing," in 1988 the network (now owned by military giant General Electric) forced the producers to drastically alter their script in the name of "balance."

Several new characters, including Hersh in a cameo appearance, were brought into the story to argue the Reagan administration line that the plane's deviation was accidental. Seemingly dozens of line-changes were made to the script, as family members hound Moore about her stability and force her to affirm her basic pro-American orientation.

The network's stand-ins are largely an unsympathetic and unbelievable lot: tactless friends and jerky lovers who say things like, "You have to trust the people

in power." And Hersh, in a clip from a real 1986 *Phil Donahue Show* where he was hawking his own KAL 007 book, *The Target Is Destroyed*, says he knows the plane was not on a spy mission because U.S. spies told him it wasn't. Hersh's naive analysis is almost beside the point, however.

Television viewers believe what they see, not what they hear, and what they saw was a KAL airliner turning deliberately off-course. *Shootdown* was not a serious investigation, nor could it be described as hard-hitting, but if it *had* been it probably would not have been shown at all. As it was, it reached millions of people and revived an issue that had been treated as closed ever since Hersh's book was published. Who said GE never brings good things to light?

—Jim Naureckas

The Predators' Ball: The Junk Bond Raiders and the Man Who Staked Them

By Connie Bruck
The American Lawyer/Simon and Schuster, 385 pp., \$19.95

By George Winslow

Junk-bond junkies get a bottom-line fix

Giuliani is preparing to file criminal charges against both Drexel and Milken.

Before the government's investigation began, Milken was hailed as the new J.P. Morgan of Wall Street. Just as J.P. Morgan used his investment banking firm in the late 19th and early 20th centuries to consolidate the power of big business, creating such industrial giants as U.S. Steel (now USX Corp.), Milken and Drexel used junk bonds to finance a wave of mergers that produced huge profits for Drexel and other Wall Street firms. Pretax income for securities firms jumped from \$2.8 billion in 1981 to \$8.3 billion in 1986, while Drexel, which now controls about half the junk bond market, saw its revenues skyrocket from \$150 million in 1977 to about \$4 billion in 1986.

But merger mania produced more than huge speculative profits. As Bruck and the SEC's recent investigation make clear, merger mania forced some Wall Street firms into white-collar crime as a way of reducing their risks. For example, Milken and Drexel helped Ivan Boesky raise a \$1-billion fund to speculate in takeover stocks. Then Drexel employees illegally helped Boesky make millions in insider trading profits by telling him which companies Drexel's clients planned to buy.

Such leaks also made it easier for Drexel to complete multibillion-dollar takeovers—and earn huge investment banking fees—because Boesky's trades put large blocks of stock

in friendly hands. Drexel also profited because Boesky secretly bought stock for Milken and Drexel, allowing them to avoid insider trading laws.

Inside the insiders: Over all Bruck's access to top Drexel executives who rarely give interviews makes *The Predators' Ball* an entertaining, extremely well-researched account of the personalities, the greed and the market forces that

MERGERS

drove Drexel and Wall Street into crime and speculation. Even though *The Predators' Ball* was published before the SEC's investigation was completed, Bruck's book is the best account of the recent Wall Street scandals to appear in print.

Yet the book has some serious flaws. Like many other business journalists, Bruck often fails to set Drexel's story in the context of larger economic and social issues.

Indeed, a closer look at the recent Wall Street scandals indicates that it is impossible to understand white-collar crime outside a larger political and economic context. Just as small-time gangsters like Meyer Lansky and Lucky Luciano exploited the political climate of the roaring '20s to set up a nationwide organized crime syndicate, Drexel and Ivan Boesky exploited the economic and political climate of the '80s to revolutionize securities fraud.

In the political arena, the Reagan administration's lax antitrust policy

and deregulation of the financial markets allowed speculators to put together billion-dollar deals without government interference. At the same time, the Reagan revolution left the SEC ill-equipped to regulate merger mania. While trading volume on U.S. stock exchanges grew 138 percent from 15.5 billion shares in 1980 to 37.2 billion shares in 1985, the Reagan administration opposed new funding for enforcement, refused to regulate takeover speculation and hired only 25 new SEC employees to police the largest bull market of the postwar era.

Since then, public outcry over the insider trading scandals and the October 1987 crash forced the administration to support modest increases in the SEC's budget. Yet the agency is still woefully understaffed. To fight the SEC's case, Drexel hired 115 lawyers and has already spent \$140 million on legal fees and an expensive advertising campaign to clean

Merger mania produced more than huge speculative profits. The merger craze forced a number of Wall Street firms into white-collar crime as a way of reducing their financial risks.

up the firm's image. In contrast, the SEC can afford to allocate only 15 attorneys to the case and is so overloaded with work that SEC Chairman

David Ruder admits the agency must do a "mammoth oversight job" with a "peanut-sized budget." President-elect Bush has promised to continue deregulation of the financial markets, which will only make the problem worse.

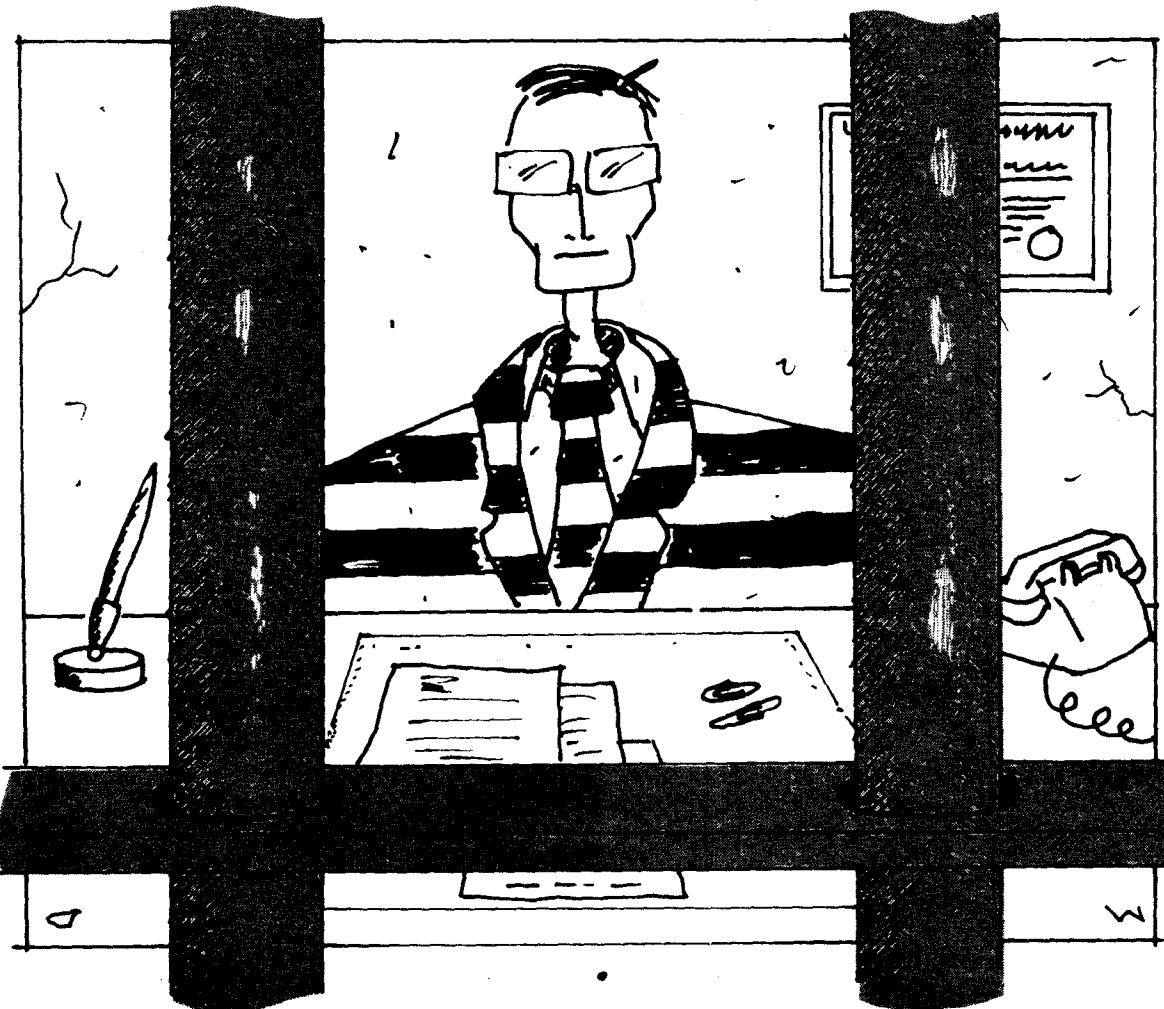
Up against the Wall Street: Bruck's failure to set Drexel's rise to power on Wall Street within the context of larger economic issues also makes her explanation of merger mania superficial. She points out, correctly, that merger mania was Wall Street's response to an economic crisis in the late '70s that reduced corporate earnings and cut the price of stocks. Because double-digit inflation had increased the value of company assets, Wall Street discovered that taking over a company was cheaper than building new factories or investing in new equipment to improve productivity. Speculation triumphed over long-term investments.

But Bruck virtually ignores how mergers affected American labor and many local communities. For example, once a merger was completed, new management often had to shut down factories, postpone new investments, cut jobs and negotiate cheaper union contracts in order to pay off its junk bonds. Not surprisingly, this bitter medicine was often forced on the most troubled sectors of the economy. Over half of all mergers in the '80s were in manufacturing or mining; nearly half of America's 1,000 largest companies—companies that have the most high-paying union jobs—have undergone a merger or significant financial restructuring.

The result transferred billions of dollars from employees, especially organized labor, and local communities into the pockets of corporate raiders and Wall Street firms like Drexel, but failed to solve the problems that created the economic crisis: management's failure to make long-term investments to increase productivity and international competitiveness. Worse, a decade of takeover speculation has dramatically increased corporate debt. And with more than \$185 billion worth of junk bonds outstanding, up from only \$15 billion in 1976, it is even more unlikely that corporate America will invest in its long-term future.

Still, despite the fact that Bruck's anecdotal account avoids some important political and economic issues, *The Predators' Ball* is an excellent introduction to merger mania and the Wall Street firm that helped create eight years of rampant speculation. With another Republican administration in the White House, "the predators' ball" is by no means over, at least not until the junk bond payments come due and the whole speculative house of cards comes crashing down.

George Winslow writes frequently on economic issues.



Terkel still working in the *Great Divide*

The Great Divide: Second Thoughts on the American Dream

By Studs Terkel
Pantheon, 439 pp., \$18.95

By James North

WHEN STUDS TERKEL WON the Pulitzer Prize in non-fiction a few years ago, there was a sharp, pained outcry in some quarters. A handful of critics suggested that Terkel is not really a writer, that all he does is bounce around with his tape recorder, stick the mike into people's faces, broadcast their voices over his radio program and then put the transcriptions between book covers. The critics suggested that the award should instead have gone to someone who is a writer in the traditional sense.

Despite the unpleasant way the question was posed by some, it is certainly legitimate to discuss Terkel and his practice of oral history. The issue is not something as superficial as this or that prize. Nor, despite one or two of the critics, is his ability to "write" really in any doubt; his autobiography, *Talking to Myself*, constitutes "a book" by more conventional standards, and it is a masterpiece.

But after five other books of oral history, has Terkel exhausted himself with his own success? After all, his influence has spread in many directions. Are Terkel and his imitators just repeating themselves? How many times can you read about the ups and downs in the life of a middle-aged steelworker, no matter how valid that life is? How often are you going to want to read about a young stockbroker that you might diplomatically shun if he sat next to you on a bus?

News from everywhere: *The Great Divide* will convincingly refute Terkel's critics. There is simply no better guide to the United States of America during the middle and late '80s. You can learn more from this book about how we really live and work now than you would by reading a year's worth of daily newspapers. Even someone who detested Terkel's left-wing populism should want to ponder his insights. Terkel's steelworkers and stockbrokers are not types but vivid individuals who live in a specific time, the present; they talk differently now than the people he listened to back in the '60s and '70s, and what they have to say amounts to our history.

Terkel's people come from everywhere. Here are the young, with their cool detachment from history; here are the couples in the newer suburbs, more free in some ways, with fewer constricting ties to family and the old neighborhood back in the city, but with the unsettling fear that they will skid down-

ward in a sputtering economy. Here is the crisis on the farms, with the farmers agonizingly slow to recognize that their own mismanagement is not to blame. Here are the young converts to evangelical Christianity, hungry for meaning in the world of the hard sell; here are the older working men and women, still stunned by the decade-long attack on the labor movement, but fighting back, some of them.

Here are black Americans, the minority who have benefited from the civil rights movement and the majority left behind in the slums. Here are the yuppies, some cheerfully amoral, some thoughtful. And here are the rest of the young, who, we are reminded, are not highflying commodities traders but who are rather bumping along in low-skilled jobs, probably the first generation in America that will not live better than their parents.

Terkel's approach continues to work because, despite what some suggest, he does not merely wave his microphone around at random.

Instead Terkel ferrets out people who are observant and insightful, and uses his considerable skills as an actor-interviewer to coax and cajole them into digging deeply into what is around them and describing it for him. He then edits, arranges and rearranges, looking for themes, for revealing juxtapositions. He adds his own descriptions, of people and scenes. If this does not constitute creative art of some sort, what does? The young James Boswell's great *Life of Samuel Johnson* is, after all, based on the older man's musings and thunderings in London coffee-houses during the 1770s. Terkel has rounded up some modern-day Johnsons in some unlikely places.

Tripping on the bottom line: Much of the beauty in Terkel's work is in the individual details. In Iowa an eight-year-old girl stands lookout when the sheriff is due at her father's farm with a repossession note for his machinery; as dad moves his farm implements, she hides her tricycle. Here is the advertising executive, perceptive, one of the most articulate people in the book: "There is no evil cabal of capitalists with dollar signs on their bulging vests making these decisions. There's a bunch of hard-working number-crunchers who look at the numbers on the rules that have been set up, and they're making decisions. If you see seven boats sailing in the same direction, it ain't because it's a conspiracy, it's because that's the way the wind is blowing."

Some of the scenes are dramatic. Yvette Gardiner is a striking TWA flight attendant; her husband Bill, a TWA pilot, crossed the picket line. They debate in front of Terkel, and

you can feel their efforts to set their jaws and keep from exploding into bitterness. Bill calls the strikers "a very, very spoiled group of people." Yvette responds tartly that "when he went to work during the strike, he was met headlong by a number of macholike pilots, who said, 'Hey, Gardiner, haven't you gotten your wife in line yet?'"

Two of the most remarkable people in *The Great Divide* are Anthony Bouza, the open-minded police chief of Minneapolis, and his wife Erica, who has been arrested several times at non-violent peace demonstrations. Chief Bouza keeps his office door open to everyone and is given to statements like "Television is fucking up the country completely, making us more violent and more druggy. The Sistine Chapel ceiling of American creativity is the 30-second television commercial." Erica Bouza says she does not like getting arrested. "I hate the fact that I get into the papers and my family has to read

HISTORY

about it. But I feel so strongly about some things that I just can't leave it up to somebody else." Here is one of the keys to Studs Terkel's success. No one would argue that Anthony and Erica Bouza are a typical police first family. But their off-beat, committed, insightful approach helps illuminate what is happening around them.

Nor is Tom Grissom, a physicist who abruptly quit after 15 years of designing nuclear weapons, going

to lead an exodus out of his plant. But his story shows, in heightened form, some of the pressures and contradictions in the nuclear age. After all, writers like Leo Tolstoy also used exceptional characters as a way to get at larger truths.

Lost sense of history: Despite inspirational people like the Bouzas and Grissom, parts of the book have an atmosphere of gloomy resignation. Especially among the young, there are low expectations. (Imagine a bumper sticker with a defeatist slogan like "Shit Happens" in the '60s; today, you see them everywhere.) In his introduction Terkel asserts that the young have lost their sense of history and that this is part of "the Great Divide" that separates them from older generations.

His argument is not fully persuasive; young people during previous bouts of economic stagnation probably also retreated into the here and now. Frank Wilkinson, the energetic civil libertarian who lectures on campuses nationwide, gives Terkel a simpler explanation: "They're ignorant because no one's ever told them.... Once they are informed, they definitely want to do something."

Another problem with *The Great Divide* is the sheer number of people—there are more than 80. After a while, you start to feel like you are at a large, successful cocktail party, where interesting people whiz off before you can get to know them.

But the couple that no one is going to forget are Jean and Joe

Gump. They are in their 60s, from an ordinary middle-class suburb of Chicago, grandparents, Catholics. One day in 1986, Good Friday, Jean Gump and four younger people broke into a Minuteman missile silo in rural Missouri with wire clippers, poured their own blood on the silo and waited to be arrested. (It is some measure of the degradation of language that "minuteman," once the name for an independent farmer who volunteered to defend freedom, is today appended to a nuclear missile.) Jean Gump was handcuffed, put on trial and eventually sentenced to six years in prison. Six years for pouring blood on a missile silo.

One year later, Joe Gump and a young Catholic pacifist broke into a silo in the same area. Joe, a chemical engineer, said, "We added a banner that had pictures of our two grandsons, who were born since Jean's action. It said DISARMAMENT INSURES A FUTURE FOR THE CHILDREN. We hung them on the cyclone fence that surrounded the silo. Very ordinary. When you drive past these places, they're hardly noticeable." Joe Gump was sentenced to 30 months in prison.

These two deserve to be remembered, not because they are like all or even very many of us, but because they embody a distillation of what has over the years been our better side. Thanks to the craft and grace of Studs Terkel, they will be part of our history.

James North, author of *Freedom Rising*, is writing a book about the world debt crisis.

NOTEBOOK

Presidential Debates: The Challenge of Creating an Informed Electorate

By Kathleen Hall Jamieson and David S. Birdsell
Oxford University Press
264 pp., \$19.95

Campaign '88 has finally, thankfully, ended, which means that before long we will have to go through the whole painful process again. If anything positive comes of this garbage dump of an election, it will likely be because people are so dissatisfied that they demand changes in the campaign process.

In light of this fall's lackluster televised debates, a good place to begin reassessment is with *Presidential Debates: The Challenge of Creating an Informed Electorate*. Authors Kathleen Hall Jamieson and David S. Birdsell examine the role debate has played historically and culturally in American society from colonial times through this election's primaries.

The book is divided into pre-broadcast and broadcast analyses, and it details changes—both necessary and needless—wrought on debates with the advent of radio and television. Despite the vacuity associated with

broadcast-era politics, for many Americans debates and TV spots are their only source of political education, so the importance of improving on contemporary debates is paramount. To this end the authors propose reconceptualizing the election process as "a series of distinct but equally important communicative events" where candidates might excel in different areas.

Jamieson and Birdsell are strongest when they articulate thoughtful and specific changes: regular debates between party spokespeople, speeches and press conferences by candidates, elimination of the press panel "buffer" favored only by the candidates. The authors advocate a return to a confrontational format with the focus on a smaller number of more thoroughly discussed topics moderated by a neutral, knowledgeable authority to keep the candidates honest and accountable for their answers.

But the authors fall short on how to implement these ideas. Their assertion that, "If any single force in American politics can institutionalize debates it is the political parties," sounds naive, especially in view of the fact that

the League of Women Voters withdrew its traditional debate sponsorship this year due to political manipulation by both candidates.

Perhaps predictably, *Presidential Debates* strongly indicts the media fanaticism with winning and losing debates: "The point of debate is not to win but to let the truth emerge and prevail. By defining them as games and assessing their outcome as a win for one side or the other, we make of debates something they were not originally intended to be. By focusing on gaffes, appearance and strategy but not the logic of the argument or the cogency of the evidence, we reduce debates to contests. By dismissing good argument as a mere rehash of old stump speeches, we deny that the end of debate is advancing a sense of which case is stronger and educating the audience in the process of making that determination."

While this is undeniably our present situation, *Presidential Debates* never asks the follow-up question: what purpose, and whose interest, is served by perpetuating this charade?

—Joan McGrath

Constitution

Continued from page 6

London a private banking official told the *Wall Street Journal*: "The heart of America is the freedom to spend, low inflation, low gasoline prices, low interest rates. Not much more than lip service has been paid to solving the twin [trade and budget] deficit problem, and the market doesn't expect much more from Bush than the past six years."

Since November 8 the president-elect seems to have gone out of his way to confirm the image of America the irresponsible. The

appointment of Jim Baker as secretary of state, seen as a move of pragmatic moderation at home, set nerves jangling abroad, particularly in West Germany where Baker is best known as the former treasury secretary who singlehandedly triggered last year's stock market crash by threatening a trade war in response to mild credit-tightening by Bonn.

Nicholas Brady, Bush's choice to succeed Baker as treasury secretary, attempted to calm things down on November 18 by declaring: "Markets go up and down.... I don't really worry about it very much." Yet his Alfred E.

Neuman shtick, so at odds with reality, flopped. The *Financial Times* offered the wan hope that the no-tax pledge "perhaps can be finessed," but Bush seemed to go out of his way to disabuse them of any such notion.

"I'm not going to change my view as to how we get this deficit down," he proclaimed at a press conference on November 21. "I don't remember any Republicans or Democrats running on a please-raise-my-taxes program."

Indeed, the president-elect was right. He was elected with a mandate to defy reality, and now he had no choice but to follow

through. Under a parliamentary system, a government faced with such an overwhelming crisis in confidence wouldn't last three months. Yet under the rigid, hidebound, overly legalistic U.S. system, it seems destined to last at least four years. By devaluing its currency rather than balancing its budget, the U.S. is essentially defaulting on its debts. Saddled with a government structure that was overly complex even by the standards of the late 18th century, it sees no alternative but to shift the burden of its antiquated system onto others.

Is this any way to run an empire? ☐

NRC

Continued from page 3

"We can no longer afford to be merely 'right' on the issues, but apart," Jackson said at NRC's founding convention. "We must bind ourselves around a common agenda and fight and organize together." Jackson's call was for "operational unity," but the extraordinary range of views included within the NRC rubric—from revolutionary Communism to evangelical Christianity, from neo-Keynesianism to Garveyism and many points in between—were sure to cause fissures sooner or later.

Rampant rumors: "I think everyone's too eager to jump to conclusions about Jesse's plans for the Rainbow," says Wilson Riles,

an Oakland City councilman and California NRC official. "Remember, we're still a very young organization—not quite three years old—and we have some kinks to work out." Riles says rumors about Jackson's intentions for NRC are rampant in the Bay Area. One particularly insistent one is that Jackson will seek to transform the group's organizational structure from one that is member-based to a more exclusive arrangement.

"That proposal does worry me," Riles admits, conceding that some of the rumors have the ring of truth. "But I have enough confidence in NRC's board to believe they won't accept that. They know that in order to reach the 7 million voters Jesse attracted they have to build a ground-level organization that gets people to participate and make

input."

Though he is a black elected official, Riles does not want to limit NRC to the political arena. Like Blum in Vermont, Larry Hamm in New Jersey and New York Assemblyman Arthur Eve, Riles urges NRC to focus on grass-roots organizing as well. "Now is not the time for worry and recriminations. The Rainbow is in better shape than it's ever been. This is an ideal time to organize."

A blessing, a curse: These are anxious times for those concerned about NRC's future. Jackson's hard-earned credibility allegedly has prompted even the Bush administration to place him into consideration for a job as drug policy czar. If such a position were offered to him, would it then be fair to expect Jackson to forgo an opportunity to

make a real difference in the fight against drug abuse to run a fringe political organization?

That question begs another: why does NRC—an organization of seasoned activists—remain so dependent on the fortunes and whims of one man? That dilemma has triggered widespread anxiety among NRC members. Nearly three years after its founding, the National Rainbow Coalition is still embodied by the person of Rev. Jesse Louis Jackson. Without the charismatic reverend, NRC has no focal point. His galvanizing persona coalesces a disparate group that would otherwise fly apart in a whirl of conflicting ideologies.

Jackson's blessing is also his curse. He's so good that no one can do without him. ☐

PNC

Continued from page 12

vided for an Arab state and a Jewish state; they state that 181 is still valid international law; and they invoke 181 as providing the basis for their existence. Thus, 41 years of Palestinian history have been reversed. They have accepted the basic principle of partition. Israelis should join them in celebration."

Perhaps so, but the reality is that there is unlikely to be much uncorking of champagne bottles in Israel, even on the Israeli left, unless and until the PLO explicitly renounces armed struggle and announces that its acceptance of 242 represents recognition of Israel and a willingness to settle for a West

Bank and Gaza state. Arafat refused to take that step in his post-declaration press conference, resorting instead to tried and true equivocation.

"Our resolutions on this matter are very clear, and I don't think they require any clarification," he said. "They are all based on the rights of the Palestinian people, but secondly on the rights of others."

Pressed to define the boundaries of the Palestinian state, Arafat responded that he remained bound by a 1974 PNC decision that "approved the establishment of a Palestinian state on any part of Palestinian territory that is liberated...and its capital should be holy Jerusalem."

"However," Arafat continued, "I may be ready to give more explanations and greater clarity once I am in an international conference for peace. Let us go to an international conference together, without any prior rules, and come to an agreement that will spell peace for all of our peoples—for everybody."

Blowing in the wind: Ultimately, the question of whether the PLO can set aside its burning sense of grievance and find it in its heart to live peacefully alongside a Jewish state still firmly ensconced in Jaffa and Haifa, Nazareth and Jerusalem, was not clearly answered in Algiers. There was a clearly communicated sense of resentment from even the most "moderate" of PLO spokesmen that they were repeatedly being pressed to go beyond a position that Arafat said was "as far as we can go" and make explicit what was implicit.

Yassir Abed Rabbo, a pro-Arafat member of the PLO executive committee, said forthrightly that the new PLO stand represents "a major change in our position.... We are stating clearly that we support the principle of two states." But when asked whether the new stand amounted to tacit recognition of Israel, Rabbo responded heatedly: "What more do you want than saying 242 and the principle of two states according to Resolution 181? ...Isn't that clear enough?"

Other Palestinian leaders restated a traditional PLO position that, despite all its con-

cessions, the PLO had to hold back recognition of Israel as its final bargaining card. These PLO leaders expressed concern that they could be double-crossed by the U.S. if they put it all on the line prematurely. Ibrahim Abu Lughod, a PNC member who is also head of the political science department at Northwestern University, said the PNC formulation was "a starter for negotiations" and that if the PLO explicitly met the U.S. conditions, it could find itself "locked into the ridiculous position where we get nothing."

But there was also an evident realization by the PLO leadership that although full acceptance of the U.S. conditions was the only way for an immediate breakthrough to negotiations, there is a limit to how much the Palestinian psyche can absorb at one time.

According to PLO strategist Hassan, "The problem is that you always ask us to do the recognizing, but you don't ask the others. You ask that the existing [state] be recognized by the non-existing, which is illogical." He added, "Honestly, we live in contradiction between our hearts and our minds. We are giving priority to the mind, but we cannot forget everything else."

It remains to be seen whether Arafat will try to pressure the U.S. by making further rhetorical concessions. It seems unlikely. According to Hassan, the PLO is pleased with the positive reaction to its initiative in most of the world, including Western Europe.

Hassan adds that PLO leadership believes it has one or two years to nudge the Bush administration toward a more receptive stance before the organization concludes that moderation has not worked.

Najat Arafat (no relation), director of the Palestinian Women's Committee in the U.S., seemed to capture the dominant mood of the PNC: "We hope that the world will now understand that the Palestinians really want peace, and that they are stretching their arms with the longest stretch they can do. Now it is time for the other side to meet us somewhere in the middle. If they don't want us to revert again to military action, this is

the moment to meet us at the stage that we reached."

She added, "If Israelis and Jews really care about the existence of Israel, they should now put some sense into the Israeli government to give back the Occupied Territories and give us our right to self-determination." ☐

Walter Ruby is the New York correspondent for the *Jerusalem Post*.

CALENDAR

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CHICAGO

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CHICAGO

December 3

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NEW YORK CITY

December 18-20

A Network of Progressive Jewish Students will be formed at the TIKKUN Conference of Liberal/Progressive Jewish Intellectuals to discuss issues Jewish students face in social change organizations (e.g., distinguishing between anti-Semitism and legitimate criticism of Israel, Black/Jewish tensions, failure of the left to recognize Jewish oppression). Students will also attend the TIKKUN conference at the Penta Hotel. Speakers include: Michael Lerner, Irving Howe, Grace Paley, Marge Piercy, Victor Navasky, Arthur Waskow, Judy Chicago, Jessica Benjamin, Barney Frank, Todd Gitlin, Russell Jacoby, Paul Ber- man, Ellen Willis...and more. Special student admission: \$35. For more information call: (415) 482-0805. Send payment to: TIKKUN Conference, 5100 Leona St., Oakland, CA 94619.

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ABOUT NOW.
TOO LATE TO TURN BACK NOW.
ABOUT THAT TIME.
SOMEWHERE BETWEEN YESTERDAY AND TOMORROW.
DAYTIME.
SAME TIME IT WAS 24 HOURS AGO.
TIME TO BUY A NEW WATCH.

WHAT TO SAY TO REDHEADS

I'D RATHER BE DEAD THAN RED IN THE HEAD.

CLEVER VARIATIONS ON NAMES OF FRIENDS

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Deborah		Debris
Andre		Undress
Eddie		Spaghetti
Millie		Silly Millie
Polly		Polly Wanna Cracker
Matt		Matt the Rat
Kelly		Smelly
Duncan		Dunkin' Donuts
Robert		Robot
Meg		Megaton
Mary		Mary the Fairy
Amber		Spamper
Corey		Snorey
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Bart		Fart
Jim		Gymnasium
Marcus		Mucous

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FATTY FATTY TWO BY FOUR COULDN'T GET THROUGH THE BATHROOM DOOR SO HE DID IT ON THE FLOOR LICKED IT UP AND ASKED FOR MORE.

SUCH EXQUISITE IMAGERY

CHUCKLES GALORE

WHAT FOR?

5.

HILARITY HI-JINX

BUT WHY?

2.

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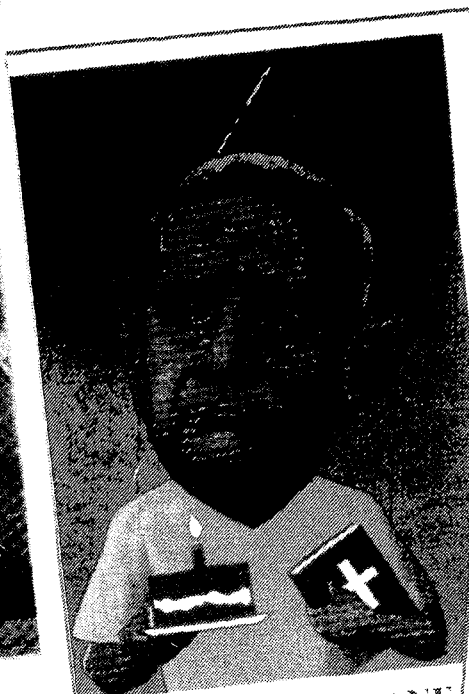
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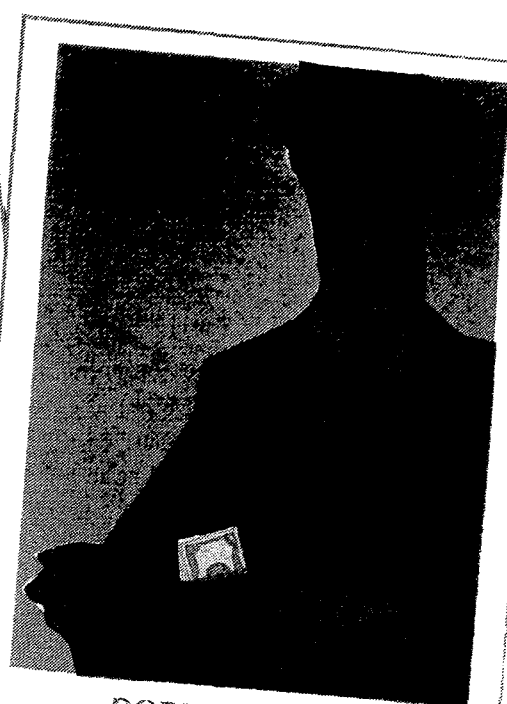
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IRAN-CONTRA

By Dennis Bernstein

I'LL TRADE YA ONE REGGIE JACKSON FOR two Ollie Norths. How about Richard Secord and Rob Owen for Willie Mays? Am I mixing my metaphors? If I am, blame it on San Francisco musician Paul Brancato. Brancato, a violinist for the San Francisco Symphony and a self-described "news junkie," has for the last two years been "keeping score" of Contragate.

Sixteen months ago, when the Iran-contra hearings were in full swing, Brancato had an idea to combine his addictions for baseball trading cards and news with his desire to help inform the public about the complexities of a scandal he believed was being swept under the rug.

In association with Eclipse Comics, Brancato and Palestinian-American artist Salim Yaqub created a deck of 36 "trading cards," featuring the crucial "stats" of some of your favorite Contragate figures on one side, with full-color caricature portraits on the other. Brancato says he designed the Iran-Contra Scandal Trading Cards to further illuminate the roles of key players and some of their silent partners. "Given the complexity of the situation," says Brancato, "I felt individual trading cards with career stats like baseball cards would not only be great political satire but educational as well."

Along with prime-time contragaters Oliver North, John Poindexter and Richard

Secord, there are the shadowy figures—swashbucklers, alleged assassins and former CIA officers—that the Christic Institute has collectively dubbed the "secret team."

Meet Rafael "Chi Chi" Quintero, who Richard Secord said was "my man" in Costa Rica. According to Quintero's stats, he was a member of the CIA's "Operation 40" assassination unit under Watergate figure E. Howard Hunt. The secret unit, writes Brancato, was assigned to knock off the Castro brothers and Che Guevara.

The lush caricatures are quite whimsical,

HOUSE

bordering on the absurd, but they never stray far from reality. "There are certain psychological aspects to the cards," says Yaqub, "which point to what I think is the truth. The real close-up shots in the deck tend to be the people who are not that well-known. We tried to compensate for their obscurity by showing them as closely and as harshly as possible." Included in the shadows are the likes of Theodore Shackley, Thomas Clones and the infamous La Penca Bomber.

Others cards are devoted to Elliott Abrams with his fingers crossed; Fawn Hall in front of a sign that reads "better shred than read"; John Poindexter lighting his pipe with a presidential finding; sad-eyed Robert "Bud" McFarlane with birthday

General Edwin Meese in a classic mug shot, complete with criminal conviction number. The Medellin Cartel card, which outlines the contra-drug connection, has Pablo Escobar and Jorge Ochoa spooning cocaine directly into the nostrils of Uncle Sam.

Brancato says he and Yaqub attempted, in their modest way, to pick up the pieces of the scandal where the mass media and Congress left off. "The media was very fond of saying that people don't really care about this, but I think many people were frustrated by the limited nature of the investigation and still are. I really don't want to see it die. As the news quieted down it made me more determined in a way to have a bit of folk history out there on this subject."

Burning Bush: Brancato's family history may contribute to the musician's determination to get the word out about illegal covert activities: his father opened up a print shop near Columbia University after he had been refused a civil service job because of his membership in the Communist Party. "My father's best friend—who was also my brother's godfather—was an informant for the FBI," says Brancato. "My father was a real left-winger and he was

OF

always trying to tell his friends what was really going on in Vietnam, but nobody would listen to him. His only source of information was the alternative media." Brancato's Iran-Contra cards—his first writing project—are about as alternative as you can get.

The deck's creator believes Reagan should have been impeached, and he makes no bones about it. His artist, however, has made plenty. Witness the deck's trump card, number 32. "I think that one is pretty emblematic," says Yaqub. "George Bush trying to keep everything under wraps, trying to conceal all those skeletons that may tumble out of his closet at any time."

The deck is arranged in a loose chronology, starting with early CIA-contra collaboration, moving to Honduras, then to the Costa Rican southern front with the John Hull-contra-CIA drug connection, and finally to Iran and Washington, D.C.

The carefully interwoven and cross-referenced cards effectively provide what Yaqub terms "a compact and populist package that encapsulates all the information that people can digest."

For scandal buffs and Bush-watchers who have everything else, this colorful

CARDS

deck might make an excellent holiday gift. And who knows, it may become the perfect playbill for the next big Washington scandal: I'll trade you Ollie North and Donald Gregg for the president. ■

The Iran-Contra Scandal Trading Cards are available for \$7.95 plus \$1.00 shipping from Eclipse Enterprises, Box 1099, Forestville, CA 95436.

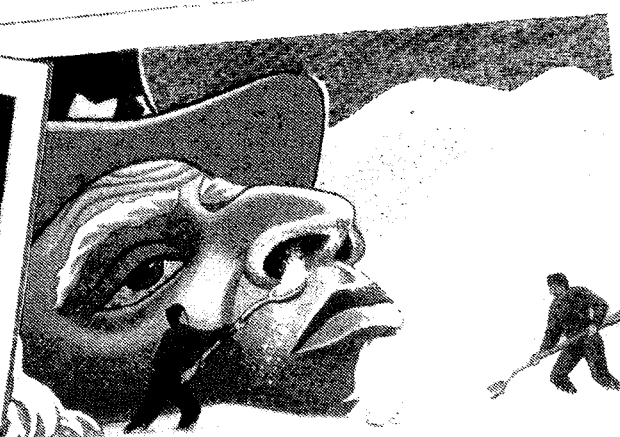
Dennis Bernstein is executive producer of the Contragate/Undercurrents radio show on WBAI in New York.



RONALD REAGAN



THE IRAN-CONTRA HEARINGS



THE MEDELLIN CARTEL